

United States  
Circuit Court of Appeals

For the Ninth Circuit <sup>3</sup>

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COMMISSIONER OF INTERNAL REVENUE,  
Petitioner,

vs.

CECIL B. deMILLE PRODUCTIONS, INC.,  
Respondent.

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Transcript of the Record

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In Three Volumes

**VOLUME III**

Pages 939 to 1395

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Upon Petition to Review an Order of the United States  
Board of Tax Appeals.

FILED

JUL 11 1938

PAUL P. O'BRIEN

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That he has arranged to borrow \$17,500.00 from the Bank of Italy for three (3) years at seven (7%) per cent, and to give security therefor First Mortgage on the above described property.

On motion duly made, seconded and unanimously carried, the President and Assistant Secretary were authorized to execute a note for \$17,500.00.

On motion duly made, seconded and unanimously carried the following resolution was adopted: [676]

**“RESOLUTION AUTHORIZING CORPORATION TO BORROW ON REAL ESTATE.**

WHEREAS, it is necessary for this corporation, for the purpose of providing funds for its general corporate purposes, and to carry on its affairs and business to borrow the sum of SEVENTEEN THOUSAND FIVE HUNDRED DOLLARS (\$17,500.00); and the Bank of Italy, a corporation, has offered to lend to this corporation the sum hereinabove mentioned upon the terms, conditions and security hereinafter set forth;

BE IT RESOLVED, THEREFORE, That this corporation accept said offer of said Bank of Italy and borrow from the Bank of Italy the said sum of SEVENTEEN THOUSAND FIVE HUNDRED DOLLARS (\$17,500.00), and that as security for the repayment of said sum, the President and Assistant Secretary of this corporation be and they are hereby authorized, for and on behalf of this corporation, in its name and under its corporate seal, to execute and deliver to said Bank of Italy, the promissory note of this corporation for the principal sum of SEVENTEEN THOUSAND FIVE HUNDRED

DOLLARS (\$17,500.00), payable in United States gold coin of the present standard of weight, fineness and value, payable three years after date of note and mortgage with interest thereon at the rate of Seven per cent (7%) per annum, payable in like gold coin.

And in order to secure the payment of said promissory note to execute and deliver to said Bank of Italy the mortgage of this corporation in favor of and for the benefit of said Bank of Italy, conveying the real property of this corporation hereinafter particularly described and conditioned to secure the payment of said promissory note, and which said promissory note and mortgage shall be in such form and shall contain such covenants, stipulations, agreements and conditions as said Bank of Italy shall require, and as the President and Assistant Secretary of this corporation shall approve, and the execution of such promissory note and mortgage shall be conclusive evidence of such approval.

The following is a particular description of the real [677] property referred to in this resolution, viz.: All that certain lot, piece or parcel of land situated and lying and being in the City of Los Angeles, County of Los Angeles, State of California.

Lot Twenty (20) in Block One (1) of the Hollywood Ocean View Tract No. 2, being a subdivision of a portion of the Rancho La Brea, as per map recorded in Book 1 Page 68 of Maps, in the office of the County Recorder of said County.”

There being no other business, the meeting adjourned.

JOHN H. FISHER (Sgd.)  
C. B. de MILLE (Sgd.)  
CONSTANCE A. de MILLE (Sgd.)  
ELLA KING ADAMS (Sgd.) [678]

Regular meeting of the Board of Directors of the Cecil B. de Mille Productions, Inc., held at No. 4 Laughlin Park, Hollywood, California, on Tuesday, December 23, 1924, at 8:30 P.M., due notice having been served on each of the Directors in person.

There were present:

Cecil B. DeMille;  
Ella King Adams;  
Constance A. De Mille;  
Gladys Rosson; and  
John H. Fisher.

Absent: None.

Minutes of the Directors' meeting held December 15, 1924, were read and approved.

On motion duly made, seconded and unanimously carried, the following resolution was adopted:

Resolved, that a dividend of one per cent. (1%) on the Capital Stock of the corporation, amounting to \$4,000.00 be and the same is hereby declared out of surplus earnings of the corporation, payable January 15th, to stockholders of record January 1, 1925.

Mrs. De Mille informed the Board of negotiations had with Mr. Carpenter in regard to the possible purchase of the Ince Studio; that Mr. Carpenter had originally asked \$700,000. for the studio, but

that he had at last, consented to take \$615,000.; that Mr. DeMille and certain other members of the organization had gone very carefully through the Ince Studio and had come to the conclusion that it would cost in the neighborhood of \$100,000. to make the studio suitable for Mr. De Mille's use; that therefore, Mr. De Mille did not feel that he could pay more than \$500,000. for the studio; that Mr. Carpenter had stated they were not willing to consider that price at the [679] present time, that therefore, negotiations had been dropped.

Mr. de Mille reported to the Board that, under the existing contract between Lasky and the Productions, Productions were making all the money, that therefore, the Lasky Company was most anxious to negotiate some other arrangement with the productions and that they would probably desire to make this on the basis of a percentage of the net receipts instead of the gross receipts.

On motion duly made, seconded and unanimously carried, the President and Vice-President were authorized to negotiate with the Famous Players-Lasky Corporation for a new contract or for such changes in the old contract as they deemed advisable. Further, that if they were not successful in their negotiations with the Famous Players-Lasky Corporation they are hereby authorized to enter into contract with Producers Distributing Corporation for the release of the De Mille pictures, and to negotiate with representatives of that company for the forming of a new organization for the productions of pictures and they are hereby authorized to



enter into a new contract with either of the above organizations if they deem it advisable without referring the matter back to the board for further consideration.

On motion, the meeting adjourned.

ELLA KING ADAMS (Sgd.)

JOHN H. FISHER (Sgd.)

Secretary

Approved JOHN H. FISHER (Sgd.) [680]

Regular meeting of the Board of Directors of the Cecil B. de Mille Productions, Inc., held at No. 4 Laughlin Park, Hollywood, California, on Tuesday, January 6, 1925, at 8:30 p.m., due notice having been served on each of the Directors in person:

There were present:

Ella King Adams;  
Gladys Rosson; and  
John H. Fisher.

Absent:

Constance A. deMille;  
Cecil B. deMille.

Minutes of the Directors' meeting held December 23, 1924 were read and approved.

Mr. Fisher reported that Mr. de Mille had not so far been successful in his negotiations with the Lasky Company, looking to the making of a new contract; that Mr. de Mille had requested by wire that the price of all available studios and other general equipment of buildings, etc., be reported to him

and also that approximate figures of the cost of a new studio to be constructed immediately should be submitted to him; and that, in view of the unsettled situation, it was advisable to curtail expenses to the best of our ability.

It was moved by Mr. Fisher and seconded by Miss Rosson and unanimously carried that for the present the services of Mrs. Adams be dispensed with.

On motion duly made, seconded and unanimously carried, Mr. Fisher was authorized to make application to the Security Trust & Savings Bank for the loan of \$42,000.0 on the so-called Vine Street Theatre property; this money to be used to pay up the present short term loan which is payable on or before the 25th day of February, [681] 1925, and that the proper officer be authorized to execute the note and mortgage necessary to carry this loan to completion.

On motion duly made, seconded and unanimously carried, the action of Mr. Fisher in purchasing a ticket for Mr. Neil S. McCarthy to go to New York in connection with the Company's business was ratified and confirmed.

ELLA KING ADAMS

GLADYS ROSSON

JOHN H. FISHER

Approved: [682]

Regular meeting of the Board of Directors of the Cecil B. de Mille Productions, Inc., held at No. 4 Laughlin Park, Hollywood, California, on Tuesday, January 20, 1925, at 7:30 o'clock, due notice

having been served on each of the Directors in person or by telephone.

There were present:

Ella King Adams,  
Gladys Rosson, and  
John H. Fisher.

Absent:

Cecil B. de Mille, and  
Constance A. de Mille.

The reading of the minutes of the last Directors' meeting was dispensed with.

Mr. Fisher reported to the Board that the contract between the Famous Players-Lasky Corporation and the Cecil B. de Mille Productions, Inc., had been cancelled and that Mr. de Mille was making arrangements in New York for the forming of a new organization for the production and distribution of his and other pictures; that, in view of this, it was necessary that we immediately take over from the Lasky payroll certain members of his organization.

On motion duly made, seconded, and unanimously carried, the Vice President and Secretary were authorized to employ Bertram Millhauser at a salary of \$350.00 per week, and to employ Mrs. Beulah Flebbe at a salary of \$300.00 per week if she collaborates, and at \$350.00 per week if she works alone on any scenario.

The Secretary was authorized to pay the expenses in the amount of \$503.82 to send Bertram Millhauser to New York in connection with the preparation of scenario for "STRONGHEART."

On motion duly made, seconded, and unanimously carried, the Vice President and Secretary were authorized to take over to the Productions payroll other members of the de Mille [683] organization as instructions were received from Mr. de Mille so to do.

On motion duly made, seconded, and unanimously carried, the Secretary was authorized to sell two hundred (200) shares of Famous Players-Lasky stock at ninety-seven (97).

On motion duly made, seconded, and unanimously carried, the proper officers were authorized to execute a note for Ten Thousand (\$10,000.0) Dollars and First Mortgage on the Zens Ranch to secure payment of said note to the Security Trust & Savings Bank, and to lift the present Mortgage on the Zens property by paying the Five Thousand (\$5,000.00) Dollars into escrow with the Security Trust & Savings Bank, and this money, together with the Ten Thousand (\$10,000.00) Dollars obtained from the new loan, being sufficient to pay the Zens mortgage. The Secretary was also authorized to pay the escrow charges and the interest to date of closing of the escrow on the Fifteen Thousand (\$15,000.00) Dollars Zens Mortgage.

On motion duly made, seconded and unanimously carried the Vice President and the Secretary were authorized to execute a contract for the purchase of the so-called Ince Studio at Culver City for the total sum of Five Hundred Thousand (\$500,000.00) Dollars, payable—

Ten Thousand (\$10,000.00) Dollars cash upon the execution of the contract;



Forty Thousand (\$40,000.00) Dollars ninety (90) days from that date;

Forty Thousand (\$40,000.00) Dollars on the 23d day of December, 1925; and

The balance on or before five (5) years, ending January 23, 1930.

The Vice President and Secretary were also authorized to execute notes in the above amounts for the above specified time with interest at the rate of five and one-half (5½%) per cent; and the Secretary was instructed to spread a copy of said contract on the minutes of the Company. [684]

On motion duly made, seconded, and unanimously carried, the 2nd Vice President was authorized to go to New York and establish connections for the obtaining of material for scenarios, and the Secretary was authorized to pay for her transportation and advance her One Hundred (\$100.00) Dollars for expense money and to pay additional expense money as required.

The telegraphic resignation of Constance A. de Mille as a Director of the Company was read to the Board, and, on motion duly made, seconded, and unanimously carried, was accepted.

On motion duly made, seconded, and unanimously carried, I. F. Dawson was elected a Director to fill the vacancy caused by the resignation of Constance A. de Mille.

On motion, the meeting adjourned.

ELLA KING ADAMS

GLADYS ROSSON

JOHN H. FISHER

Approved: [685]

Regular meeting of the Board of Directors of the Cecil B. de Mille Productions, Inc., held at #4 Laughlin Park, Hollywood, California, on Monday, February 17, 1925, at 7:30 P. M., due notice having been served on each of the Directors in person, by telephone or by mail:

There were present:

Cecil B. de Mille

I. F. Dawson

Gladys Rosson

John H. Fisher.

Absent:

Ella King Adams.

Minutes of the Directors' Meeting held January 26, 1925, were read and approved.

Mr. Dawson tendered his resignation as a member of the Board of Directors. On motion duly made, seconded and unanimously carried, the resignation of Mr. Dawson was accepted.

On motion duly made, seconded and unanimously carried, Constance A. de Mille was elected to fill the vacancy caused by the resignation of Mr. Dawson. Mrs. de Mille was present and assumed her duties as a Director.

Mr. de Mille reported that he was very much pleased with the arrangements that were made in New York; that the new company to take over the Ince Studio had been arranged for and that the Studio was to be called "The De Mille Studio;" that releases would be made through the Producers Distributing Corporation, and that very strong finan-

cial arrangements had been made in New York; that as soon as all papers were ready for execution in connection with this new plan, they would be submitted to the Board for its approval.

Mr. Fisher reported that Mr. de Mille wished to purchase the Omstead Ranch in the Little "Tajuenga Canyon, and also the Cereghino Ranch lying between the Omstead and the Zans Ranch; that he, Mr. Fisher, had negotiated with Mr. Cereghino and could purchase his twenty acres [686] for \$5,000.00; that it was advisable to secure an option on the Omstead Ranch. Therefore, on the 14th day of February he had secured an option from Mr. Omstead, paying the sum of \$100.00 for this option for a period of thirty days; that the total purchase price was to be \$30,000.00; that we would have to pay \$12,500.00 cash for the property, and \$2,500.00 in one year, and \$15,000.00 in three years, both the loans secured by First Mortgage, and that he had taken upon himself to execute this option.

On motion duly made, seconded and unanimously carried, the action of Mr. Fisher in taking an option on the Omstead Ranch was ratified and approved.

Mr. Fisher reported that the forming of the Vine Street Holding Corporation to take over the so-called Vine Street Theatre property had been completed.

On motion duly made, seconded and unanimously carried, the President and Secretary were authorized to execute a deed conveying Lot 6, and the south

25 feet of Lot 5, and the north 10 feet of lot 7, Block 11, of Hollywood to the Vine Street Holding Corporation, Inc.

On motion, the meeting adjourned.

CECIL B. DE MILLE

GLADYS ROSSON

JOHN H. FISHER, Sec. [687]

Regular meeting of the Board of Directors of the Cecil B. de Mille Productions, Inc., held at #4 Laughlin Park, Hollywood, California, on Monday, April 12, 1926, at 8:00 P.M., due notice having been served on each of the Directors in person, or by telephone.

There were present:

Mrs. Constance A. de Mille,

Mrs. Ella King Adams,

Mr. John H. Fisher.

Absent:

Mr. Cecil B. de Mille,

Miss Gladys Rosson.

In the absence of the President, Constance A. de Mille called the meeting to order.

Minutes of the Director's meeting held March 29, 1926, were read and approved.

On motion duly made, seconded and unanimously carried, the proper officers were authorized to purchase 200 shares of Bancitaly Corporation stock, and the Secretary was authorized to use this stock as collateral in connection therewith in borrowing sufficient money to make the purchase and to use as additional collateral certificates of 50 shares Banc-

italy and Certificate of 50 shares of Bank of Italy, which was purchased by Mr. de Mille before his departure for the East.

On motion duly made, seconded and unanimously carried the following resolution was adopted; to borrow the sum of \$60,000.00:

RESOLUTION: It is Resolved, by the Board of Directors of the Cecil B. de Mille Productions, Inc., a Corporation, that it is for the best interest of the said Corporation to borrow, from time to time, such sums of money as may be necessary and convenient for the purpose of paying the debts of said Corporation, and of carrying on its business, and Cecil B. de Mille, President, or Constance A. de Mille, Vice-President, and John H. Fisher, Secretary of [688] the Corporation are hereby authorized to borrow money for this Corporation, from time to time, from the FEDERAL TRUST & SAVINGS BANK OF HOLLYWOOD in such amounts and upon such terms as they shall deem proper; and are hereby authorized to make and deliver for and on behalf of said Corporation, and as its act and deed, contracts to pay, and Promissory notes, according to the terms agreed upon by them with said Bank, and to include in such notes and contracts an agreement for the payment of attorney's fees and costs, and to sign the Corporate name to said notes and contracts, and to affix thereto the seal of said Corporation, and also to deposit with and assign to the said bank as collateral security for said



loans, Promissory notes, or other evidences of debt, and personal property of any description belonging to, or held by said Corporation, under such terms and agreements of pledge as shall seem best, and are further authorized to renew, extend, or otherwise change said loans, or substitute or add securities therefor, as they shall deem best, and to receive for the said Corporation the amounts borrowed.

On motion the meeting adjourned.

JOHN W. FISHER

CECIL B. DE MILLE

ELLA KING ADAMS

GLADYS ROSSON [689]

Regular meeting of the Board of Directors of the Cecil B. deMille Productions, Inc., held at #4 Laughlin Park, Hollywood, California, on Tuesday, October 12, 1926, at 8:00 PM, due notice having been served on each of the Directors in person.

There were present:

Mr. Cecil B. deMille

Mrs. Constance A. deMille

Mrs. Ella King Adams

Mr. A. G. King.

Absent:

Miss Gladys Rosson.

Minutes of the Director's meeting held August 16, 1926 were read and approved.

The President advised that he would like to borrow the sum of \$90,000.00, from the Productions

for a short period. Upon motion duly made, seconded and unanimously carried, it was:

RESOLVED: That the President be authorized to loan Cecil B. deMille the sum of \$90,000.00, payable upon demand, bearing interest at 4½% payable annually. This loan is to be secured by a personal note of Cecil B. deMille.

The President reported that in submitting the last check for royalties which was received in October, the Famous Players Lasky Company had deducted the sum of \$14,272.26, account of Australasian taxes. He advised that the check had been refused and that Famous Players Lasky Company had been advised that the Cecil B. deMille Productions, Inc., expected full payment of royalties based on the gross film rentals without deductions of any kind.

The Secretary called attention to the fact that no salary had been paid to the President since March 7, 1925. Several of the Directors expressed opinion that the President should be paid an accumulated salary from March 1925 to date. The President stated, however, that he had never requested any salary during this period [690] because he felt that this was an extremely critical time for the Corporation and it was necessary to conserve every cent possible in order to build up the cash reserve of the Company. In view of the fact that the cash position of the Company was not in much better shape, he was willing to accept a salary of \$500.00 a week, starting October 1, 1926. Upon motion duly made, seconded and unanimously carried, it was:

RESOLVED: That a salary of \$500.00 a week be paid the President each and every week starting October 1st, 1926.

The Secretary reported that he had investigated the possibilities of building small houses for sale, and thought that such an operation offered considerable profit without any great risk. He said that he had selected a district between Benton Way and Wilshire Boulevard, West of Doheny Drive, and advised that the idea was to construct a house that would cost with the lot approximately \$12,500.00, and would sell for approximately \$15,000 gross. Upon motion duly made, seconded and unanimously carried, it was:

RESOLVED: That the President be authorized to purchase a lot in the area between Burton Way and Wilshire Boulevard, West of Doheny Drive, and to construct a house thereon at a total approximate expenditure of \$12,500 for the house and lot, and on completion of the house to sell same at the best price that could be secured.

The President advised that an offer had been received from Mr. Van Deinse, accompanied by a check for \$5,000 to purchase the three lots designated as lots 9, 10, and 11, just north of the tennis court in the Laughlin Park property for the sum of \$32,550.00. Upon motion duly made, seconded and unanimously carried, it was:

RESOLVED: That the President be authorized to sell to Mr. Van Deinse the parcel of land



north of the tennis courts fronting on Los Feliz Boulevard, 231.66 feet, designated as lots 9, 10, and 11, on map of proposed subdivision prepared by Freemont Ackerman, dated March 17, 1926, for the sum of \$32,550.00, payable in cash.

[691]

The President reported that Mr. Flebbe had an offer for the purchase of lot #376, Tract 5822, of the Ventura Boulevard property for the price of \$1,000 cash, and recommended the sale of this property. Upon motion duly made, seconded and unanimously carried, it was:

**RESOLVED:** That the President be authorized to sell for \$1,000 cash, lot #376, of Tract 5822.

The Secretary reported that there was very little activity in the Rowena Heights and Fernangeles Sub-divisions.

The Secretary reported that he had employed Mr. Shoemaker, an experienced water engineer, to spend an afternoon on the lower ranches in order to determine the possibilities of water development. He advised Mr. Shoemaker stated it would be impossible to build any reservoir on account of the unsuitable character of the soil which would not hold water; also that he would not consider any large expense would be justified in building wells in the lower part of the canyon which could be expected to produce water for domestic purposes; and that for irrigation purposes he thought it would be neces-

sary to depend entirely on the present well and upon such springs as can be developed in the hills.

The Secretary further reported that he had assigned to Thurston the Hunter, Olmstead and Cereghino Ranches, that he had been over this property very carefully with Thurston and that the only possibility of making these ranches self-supporting was to specialize on such crops that would not require irrigation. In addition, to develop the spring water for the irrigation of the citrus orchard on the Hunter Ranch. Upon motion duly made, seconded and unanimously carried, it was

**RESOLVED:** That the President be authorized to spend such money as would be necessary to develop the spring on the Hunter Ranch at an estimated expense of \$600.00, and to spend an estimated expense of \$600.00, and to spend the sum of \$1,000.00 for the purchase of seed, equipment, and livestock. [692]

The Secretary further reported that he was still investigating the possibilities of the production of the Zens and Wyatt Ranches and would make further report on these properties at a later meeting.

The president advised that there had been offered for sale to the Corporation lots Nos. 326, 328, 332, and 334, East Colorado St., in Pasadena, with an insured income; an office building on Wilshire Blvd., and West Lake Ave. The President stated that he would be in favor of purchasing one or more of these properties if some of the unimproved properties of the corporation could be applied as the ma-

for part of the purchase price. Upon motion duly made, seconded and unanimously carried, it was

**RESOLVED:** That the President and Secretary be appointed a committee of two with full power to act in connection with the purchase of the property located at 326 to 334 Colorado St., Pasadena, and the property at the North West corner of West Lake Ave., and Wilshire Boulevard, improved with a nine story office building.

The President reported that a parcel of improved business property in Compton had been offered to the Corporation at a price of approximately \$50,000 with an indicated net income in excess of ten per cent. Upon motion duly made, seconded and unanimously carried, it was

**RESOLVED:** That the President be given full authority to take such action as might be deemed best for the interests of Cecil B. deMille Productions, Inc., in reference to improved business property in Compton.

The President reported negotiating for the purchase of the piece of the Wyckoff Ranch in Little Tujunga Canyon and would report further on this matter at the next meeting. [693]

The President reported the purchase of various investment securities. Upon motion duly made, seconded and unanimously carried, it was

**RESOLVED:** That the Board of Directors of the Cecil B. deMille Productions, Inc., approve the purchase of the following:

\$5000 Kingdom of Italy Bonds  
 100 shares of Standard Oil of California  
 300 Consolidated Royalties  
 2000 Julian Merger Mines  
 100 Shares of Standard Oil of Kansas. [694]

Regular meeting of the Board of Directors of the Cecil B. de Mille Productions, Inc., held at #4 Laughlin Park, Hollywood, California, on Monday, February 14, 1927, due notice having been served on each of the Directors in person or by telephone.

*President:*

Mr. Cecil B. de Mille  
 Mrs. Constance A. de Mille.  
 Mrs. Ella King Adams  
 Miss Gladys Rosson

Absent: None.

The minutes of the Director's meeting held January 3rd, were read and approved.

The President recommended the sale of two hundred shares of stock in the Bancitaly Corporation. Upon motion duly made, seconded and unanimously carried, it was

RESOLVED: That Mr. A. G. King, the Secretary, be and he is hereby empowered and instructed to sell through E. F. Hutton & Company two hundred shares of capital stock of the Bancitaly Corporation owned by Cecil B. deMille Productions, Inc., and A. G. King, Secretary, and Gladys Rosson, Assistant Secretary, are hereby empowered and authorized to endorse for the

Corporation the certificates of this stock; and the Secretary is further ordered to instruct Messrs. E. F. Hutton & Company to remit the proceeds of this sale to the Cecil B. deMille Productions, Inc., in the form of a check payable to the said Corporation.

The President reported that although the annual audit was not yet completed, the surplus as of December 31, 1926, was in a neighborhood of \$1,075,000.00.

He explained that on account of the situation in New York it was important to reserve the resources of the company as much as possible as it was not unlikely that a large amount of cash might be required on extremely short notice for picture [695] production. He stated, however, that he thought stockholders should have some regular return and recommended that a dividend of five per cent be paid out of the surplus earnings. On motion duly made, seconded and unanimously carried, it was

**RESOLVED:** That a dividend of five per cent on the capital stock of the Corporation amounting to Twenty Thousand Dollars (\$20,000) be and the same is hereby declared on the surplus earnings of the Corporation payable March 1st, 1927, to stockholders on record February 23, 1927.

The Secretary reported that he had an application for a loan to be made on a piece of property on Franklin Avenue just west of Bronson Avenue.



The President suggested that it would be a good plan for the Company to make this loan provided that it was made on a first trust deed with interest at eight per cent and at a discount of two per cent could be taken. Upon motion duly made, seconded and unanimously carried, it was:

RESOLVED: That Cecil B. de Mille, the President, and A. G. King, the Secretary, be and they are hereby instructed and empowered to lend on behalf of the Cecil B. de Mille Productions, Inc., the sum of Thirty Thousand Dollars (\$30,000.00), less a discount of two per cent or Six Hundred Dollars (\$600.00) to E. H. Willey and Mary L. Willey, his wife, for a period of three years, said loan to be secured by a note signed by E. H. Willey and Mary L. Willey in the principal sum of Thirty Thousand Dollars (\$30,000.00) for a period of three years with interest at eight per cent payable quarterly and to be further secured by a first trust deed by a certificate of title and guaranty from a responsible title company, and by adequate insurance policies covering the property and improvements described as Lots Two and three, Tract #2359 as per map recorded in book 31, page 89 of maps of Los Angeles County; all documents to be issued in the name of the Cecil B. de Mille productions, Inc. [696]

The Secretary further recorded that Mr. George Flebbe, of the Hollywood Corporation, had submit-

ted an offer from Frederick S. Hilpert for Lot #2 in the Laughlin Park tract for Fourteen Thousand Dollars (\$14,000) cash. Upon motion duly made, seconded and unanimously carried, it was:

**RESOLVED:** That the President be authorized to sell to Frederick S. Hilpert and Harriet I. Hilpert, his wife, Lot #2 as shown on map of proposed subdivision prepared by Fremont Ackerman, civil engineer, dated March 17, 1926, after price of Fourteen Thousand Dollars (\$14,000), less the usual real estate commission the lot to be paid for by Five Thousand Dollars (\$5,000) cash and a second trust deed to run for three years bearing interest at seven per cent in the sum of Nine Thousand Dollars (\$9,000) having as security the lot and any house to be erected thereon.

The President stated that he had failed to report to the Board the sale of Lots 9, 10 and 11 in Laughlin Park tract to Mr. F. C. van Deinse at the price of Thirty two Thousand Five Hundred Dollars (\$32,500) and asked that the Board confirm the sale. Upon motion duly made, seconded and unanimously carried, it was:

**RESOLVED:** That the Board of Directors hereby confirm and approves the sale arranged by the President of Lots 9, 10 and 11 as shown on map of proposed subdivision of tract #5708 dated March 17, 1926, prepared by Fremont Ackerman, civil engineer, to F. C. van Deinse and Lulu Mae van Deinse, his wife, at the price

of Thirty Two Thousand Five Hundred Dollars (\$32,500) less the usual real estate commission, the lot to be paid for by Seventeen Thousand Two Hundred Fifty Dollars (\$17,250) cash and first trust deed to run for three years bearing interest at seven per cent in the sum of \$15,000.00 having as security the lot and any house to be erected thereon. [697]

Mr. de Mille advised that his time was so taken up with actual picture production that it was difficult for him to exercise any supervision over the property on Highland Avenue which was owned one-half by him and one-half by the Productions. He stated that he felt the Cecil B. de Mille Productions, Inc., should own this property entirely, and his investment in the property to date was \$41 166.65, less his one-half of the encumbrance on the property amounting to \$8,750.00, leaving him an equity of \$32,416.65. He stated that he was willing to sell his equity to the Cecil B. de Mille Productions, Inc., for the sum of \$33,000.00 cash. Upon motion duly made, seconded and unanimously carried, it was:

RESOLVED: That the Cecil B. de Mille Productions, Inc., would accept Mr. de Mille's offer to sell his equity in the property and improvements described as Lot 20, Block 1, Hollywood Ocean View, tract #2 as per map recorded in Book 1, page 68 of maps, Los Angeles County, California; and that Mr. de Mille as President, and A. G. King, as Secretary of the Cecil B. de Mille Productions, Inc. be and they are hereby



authorized to purchase the property above described on behalf of the said corporation of the sum of \$33,000.00 cash to be paid to Cecil B. de Mille, and that the said President and Secretary are further authorized to assume the encumbrance of \$8,750.00 against the property for which Mr. de Mille is now personally allowed.

The President further advised that he had up to this time failed to advise the Directors of a proposition received from Mr. Flebbe for the purchase of the property on Ventura Boulevard owned jointly by the C. B. de Mille Productions Inc., and the William C. de Mille Productions Inc. He stated that Mr. Flebbe had on August 1918, asked for six months' option without pay on the Ventura Boulevard lots at a price of \$19,000.00 net to the owners. He stated that he had agreed to this and that up to this time Mr. Flebbe had sold over [698] half of the property. He asked the Board to confirm this agreement. Upon motion duly made, seconded and unanimously carried, it was:

RESOLVED: That Cecil B. de Mille, President, and A. G. King, Secretary, be and they are hereby authorized on behalf of the Cecil B. de Mille productions, Inc., to sell through George Flebbe, the interest of the Cecil B. de Mille Productions, Inc., in the property on Ventura Boulevard, consisting of seventeen lots in tract #5822 at one-half the price of \$19,000.00 for the entire property upon the past terms and

conditions they may secure, and that this authority remain in force as long as said President and Secretary shall see advisable.

There being no further business the meeting adjourned.

CECIL B. de MILLE  
GLADYS ROSSON  
ELLA KING ADAMS  
A. G. KING [699]

Regular meeting of the Board of Directors of the Cecil B. de Mille Productions, Inc., held at #4 Laughlin Park, Hollywood, California, on Monday, March 7th, 1927, due notice having been served on each of the directors in person or by telephone.

Present:

Mr. Cecil B. de Mille,  
Mrs. Constance A. de Mille,  
Mrs. Ella King Adams,  
Miss Gladys Rosson,  
Mr. A. G. King.

Absent:

None.

The minutes of the Director's meeting held February 14th, were read and approved.

The President reported that he had an offer to sell Lot #3 in proposed sub-division of the Laughlin Park Tract to Paul A. Granger, at a price of \$13,000 cash, less a sales commission of 7½%. Upon motion duly made, seconded and unanimously carried, it was:

RESOLVED: That the President be authorized to sell to Paul A. Granger, and Margaret Granger, his wife, Lot #3 as shown on map of proposed subdivision prepared by Fremont Ackerman, civil engineer, dated March 17, 1926, after price of \$13,000 cash, less 7½% sales commission.

The Secretary recommended the sale of One Thousand shares of Julian Petroleum stock. Upon motion duly made, seconded and unanimously carried, it was:

RESOLVED: That Cecil B. de Mille the President and A. G. King, the secretary, of this Corporation, be and they are hereby authorized to sell one thousand (1000) shares of Julian Petroleum Preferred stock, when and at what price may seem to them most advisable; and that Cecil B. de Mille and A. G. King are hereby authorized to endorse the certificates of said stock in behalf of such corporation. [700]

The Secretary reported that there had been a call for the Northern Pacific stock, account of the consolidation of the Northern Pacific and Great Northern Railroads, for which we would receive new certificates of the new consolidation: Upon motion duly made, seconded and unanimously carried, it was:

RESOLVED: That Cecil B. de Mille, President, be, and he is, hereby authorized to deliver to Messrs. E. F. Hutton and Company, to a committee in charge of the consolidation of the

Northern Pacific and Great Northern Railroads, for deposit pending such reorganization, 200 shares of stock in the Northern Pacific Railway, belonging to the Cecil B. de Mille Productions, Inc.; and that Mr. Cecil B. de Mille, President, and Mr. A. G. King, Secretary, be, and they are, hereby authorized to endorse the certificate of stock for this purpose.

The President reported that he had just examined the 1926 annual report of the Standard Oil Company of Kansas; that the report was unsatisfactory, and the outlook unfavorable, and that he recommended disposing of One hundred (100) shares of stock in this company, which is owned by the Productions. Upon motion duly made, seconded and unanimously carried, it was:

RESOLVED: That Cecil B. de Mille, the President, be, and he is, hereby authorized to sell through E. F. Hutton & Company One hundred shares of Standard Oil of Kansas, owned by Cecil B. de Mille Productions, Inc., and A. G. King, Secretary, and Gladys Rosson, Assistant Secretary, are hereby empowered and authorized to endorse for the Corporation the certificates of this stock; and the Secretary is further ordered to instruct Messrs. E. F. Hutton & Company to remit the proceeds of this sale to the Cecil B. de Mille Productions, Inc., in the form of a check payable to the said Corporation.

The President reported that Mr. George H. Flebbe had asked him to guaranty a loan, or loans, in the aggregate sum not to exceed \$30,000 in favor of the Bank of Italy. Upon motion duly made, seconded and unanimously carried, it was

RESOLVED: That the Cecil B. de Mille Productions, Inc., a corporation, guarantee the payment of a note, or notes, in accordance with their respective terms, in the aggregate sum not to exceed \$30,000 of George H. Flebbe, or any renewal or [701] extensions thereof, in favor of the Bank of Italy, its successors or assigns, and

That the said Bank of Italy of Los Angeles be and it is hereby authorized to loan or advance money on the said note or notes of George H. Flebbe in reliance upon the said guarantee hereby authorized, until written notice of the revocation of said guarantee be delivered to the said bank

AND FURTHER, that the President and the Secretary, or any Assistant Secretary, be, and they are hereby authorized and empowered to endorse said note or notes as herein authorized.

The President reported that negotiations in New York for the formation of the new company was proceeding very satisfactorily; that Mr. McCarthy was in New York arranging the new contract, and he would soon be in a position to lay these matters in detail before the Board of Directors. The President stated that in the formation of the new merger there would probably be opportunities to acquire ad-



ditional rights, stock, and equities, at low prices, and that he anticipated that there would shortly be an opportunity to acquire investment stock at low prices. For this reason he recommended that credit be arranged for a loan of Two Hundred and Fifty Thousand Dollars (\$250,000), and that he be authorized to borrow the sum for the company, when and at such times as might seem advisable. Upon motion duly made, seconded and unanimously carried, it was:

RESOLVED: That Cecil B. de Mille, the President, and A. G. King, the Secretary, be and they are hereby authorized to borrow from the Bank of Italy the sum of \$250,000, when and at such times as may seem to them most advisable and to the best interests of Cecil B. de Mille Productions, Inc.

The President deemed it advisable to carry an account with H. J. Barneson & Co., for the purpose of purchasing and trading in stocks & bonds, and for the trading on margin. Upon motion duly made, seconded and unanimously carried, it was:

RESOLVED; That Cecil B. de Mille, the President of this corporation, be and he is hereby authorized and empowered to open an account with H. J. Barneson & Co., 1306 Stock Exchange Building, Los Angeles, or elsewhere, to purchase thru them for cash or on a marginal basis, stocks, bonds or other securities, or to sell thru them for cash, or on a marginal basis,

stocks, bonds or other securities which are now owned or which may hereafter come into the possession of this corporation for such price and on such terms and conditions as he may in the exercise of his judgment deem for the best interests of this corporation; and

BE IT FURTHER RESOLVED: That the President of this corporation take such steps and do such acts and things as shall be necessary to carry out the intent of this resolution in all its particulars, and

BE IT FURTHER RESOLVED: That this corporation hereby makes, constitutes, and appoints Cecil B. de Mille, A. G. King, Gladys Rosson, our agents and attorneys-in-fact for us and in our name and for our account to buy and sell on margin or otherwise and generally trade in stocks, bonds, and commodities, through H. J. Barneson & Company brokers.

There being no further business the meeting adjourned.

CECIL B. deMILLE  
GLADYS ROSSON  
ELLA KING ADAMS  
A. G. KING [703]

Special Meeting of the Board of Directors of Cecil B. de Mille Productions, Inc. held this 18th day of April, 1928 at the hour of 5:15 P. M.

Present: Mr. Cecil B. de Mille  
Mrs. Constance A. de Mille  
Miss Cecelia Hoyt de Mille  
Mrs. Ella King Adams  
Miss Gladys Rosson  
Mr. Arthur G. King

The Secretary presented to the Board a certain Agreement, and supplements thereto, dated April 18, 1928, providing for the termination of an Agreement heretofore entered into as of the 11th day of April, 1927 between Pathe Exchange, Inc., Cecil B. de Mille Pictures Corp., Cecil B. de Mille Productions, Inc. and Cecil B. de Mille.

The contents of said documents were made known to the members of the Board who discussed the same and upon motion duly made, seconded and carried, it was:

RESOLVED: That the Agreement as presented to the Board be approved and that the Agreement of April 11, 1927 be terminated in accordance with the terms thereof; and that the President and Secretary of this Corporation be, and they are hereby authorized to execute the said Agreement as of the 18th day of April 1928, for and on behalf of this Corporation.

Upon motion duly made, seconded and carried, it was:

RESOLVED: That the President of this Corporation arrange, through any of the mem-



bers of the Board of Directors or such other persons as he may see fit to employ, for the rental and use of the properties described in "Exhibit A" of the said Agreement of April 18, 1928, from time to time and upon such terms as to the persons shall seem advisable.

Upon motion duly made, seconded and carried, it was:

RESOLVED: That whereas this Corporation consented to Cecil B. de Mille performing his services as a director of motion pictures for Cecil B. de Mille Pictures Corp. as described in said Agreement dated April 11, 1927 and referred to in previous resolutions, and whereas said Agreement is now terminated, that a new Agreement for the employment of said Cecil B. de Mille by this Corporation on the same terms and conditions which heretofore existed, be made and that the salary to be paid to said Cecil B. de Mille shall be the sum of \$2,500.00 per week and that said Agreement shall contain such other terms as shall be provided by the attorney for the Company, and the same is hereby authorized. [704]

There being no further business to be brought before the Board, the meeting adjourned.

ELLA KING ADAMS  
GLADYS ROSSON  
CECIL B. deMILLE  
A. G. KING [705]

Special Meeting of the Board of Directors of Cecil B. de Mille Productions, Inc., held on the 1st day of May, 1928, at the hour of 9:00 P. M. at No. 4 Laughlin Park, Hollywood, California.

Present: Mr. Cecil B. de Mille  
Mrs. Constance A. de Mille  
Mrs. Ella King Adams  
Mr. A. G. King  
Miss Cecelia H. de Mille  
Miss Gladys Rosson

Absent: None.

The President explained to the meeting that under the terms of his agreement, dated April 18, 1928, with Pathe Exchange, Inc., he would not draw a salary after April 30, 1928. Mr. deMille further stated that it was necessary for him to carry a number of duties; that he required a compensation of Three Thousand Dollars (\$3,000.00) a week and that he felt that the financial condition of the Company was such that it was in position to pay him this compensation until arrangements were concluded either with Pathe Exchange, Inc. or some other corporation, which would provide for the payment of a salary to him.

Upon motion duly made, seconded and unanimously carried, it was:

RESOLVED: That effective May 1, 1928 and continuing until further notice, a salary of Two Thousand Five Hundred Dollars (\$2,500.00) per week in addition to the present salary of Five Hundred Dollars (\$500.00) paid by Cecil B.

de Mille Productions, Inc. to Cecil B. de Mille, making a total salary of Three Thousand Dollars (\$3,000.00) per week, be paid to Cecil B. de Mille in full compensation for his services as President of Cecil B. de Mille Productions, Inc.

There being no further business, the meeting adjourned.

Approved:

CECIL B. de MILLE

President

A. G. KING

Secretary

DIRECTORS: ELLA KING ADAMS

GLADYS ROSSON [706]

MINUTES

OF

SPECIAL MEETING OF THE

BOARD OF DIRECTORS

OF

CECIL B. DE MILLE PRODUCTIONS, INC.

Held: June 16, 1930.

We, the undersigned, directors of CECIL B. DE MILLE PRODUCTIONS, INC., hereby give our consent to the holding of a special meeting of the Board of Directors, of CECIL B. DE MILLE PRODUCTIONS, INC., at 2000 deMille Drive, Laughlin Park, Hollywood, California, on the 16th day of June, 1930, at the hour of 9: o'clock P. M. thereof, for the purpose of discussing the present

condition of this corporation, its properties; its various holdings, the present contract with Metro-Goldwyn-Mayer Studios for the production of pictures, and particularly its expansion into the field of acquiring and cultivating of lands in Arizona; and such other things as may be of advantage for discussion to the best interests of this corporation.

Dated: June 16, 1930, at Hollywood, California.

CECIL B. de MILLE  
CONSTANCE A. de MILLE  
CECILIA de MILLE CALVIN  
A. G. KING  
ELLA KING ADAMS  
GLADYS ROSSON

A special meeting of the Board of Directors of CECIL B. DE MILLE PRODUCTIONS, INC., was held on the 16th day of June, 1930, at 2000 deMille Drive, Laughlin Park, Hollywood, Cal., at the hour of 9: o'clock P. M., said meeting being held pursuant to call by telephone, and the foregoing written consent and waiver of notice by mail, signed by all the directors. [707]

The minutes of the last meeting were read and approved.

The meeting was called to order by the president who also acted as chairman of the meeting. Miss Rosson acted as secretary and performed the duties of said office.

The secretary then called the roll, which was presented as follows:

Present: Cecil B. deMille  
Constance A. deMille  
Cecilia deMille Calvin  
Ella King Adams  
Gladys Rosson

Absent: A. G. King.

The Chairman opened the meeting by a discussion as to the general business conditions throughout the country. He stated that in his opinion conditions were serious and that every precaution must be taken and a policy of rigid economy be enforced and maintained by all in the interests of this corporation; that each person was dependent upon the success of this organization for his welfare; that while he, as president of this corporation, would recommend retrenchment of every dollar possible, the corporation was at the same time in very good shape with its liabilities almost nil, and its assets in the main very liquid.

The Chairman also called to attention the situation of the stock market; also that while the motion picture stocks had been among the strongest acting on the market, the theatres throughout the country are making very poor reports, and there has been considerable evidence of selling off among all the amusement stocks in the past few days. [708]

Mr. deMille then stated that he would like to receive opinions from the board as to whether or not they would advise him to start negotiations with



Metro-Goldwyn-Mayer for the making of pictures, over an additional length of time or whether he should seek connection elsewhere. Also as to whether or not he should continue an affiliation with a corporation of the strength and standing of Metro-Goldwyn-Mayer or Paramount, or approach one of the lesser corporations like Universal, or R-K-O which would be a better connection financially.

Director Cecilia deMille Calvin then stated that in her opinion Mr. deMille's standing in the industry was such that he should not seek an affiliation with any motion picture company other than those of the highest standard such as Metro-Goldwyn-Mayer or Paramount, and that she felt with the practically assured success of "MADAM SATAN"—that this would be a very good time for Mr. deMille to approach Mr. Mayer with the idea of working out a new agreement.

This matter was taken under advisement and Mr. deMille stated that he hoped to have something definite to report at the next meeting.

The matter of purchasing a certain amount of property at Laughlin Park, on which he would erect a home for his daughter, was brought up by Mr. deMille and he stated he would delay the proposition until the house was completed in order to stake off the adequate amount of land, all of which was agreeable to the board. [709]

The Chairman also told the meeting that the wheat situation was serious, the new crop coming on the market with last year's crop still in the warehouses. This matter was brought up because of the



fact that this corporation had invested to a large extent in farming enterprises and land development and that every effort would be made to make it successful.

After some further discussion regarding general business conditions which the country is now passing thru, Director Ella King Adams suggested that during the period of time between the production of pictures, and while the president, Mr. deMille, was not actually engaged in the making and directing of picture production, that the president's salary be reduced to \$1500.00 per week, to be increased to \$2500.00 per week at the commencement of actual picture production.

Upon motion duly made by Director Ella King Adams, seconded by Director Constance A. deMille and unanimously carried, it was:

**RESOLVED:** That commencing with June 9, 1930, the salary of the president of this corporation shall be reduced from \$2500.00 per week to \$1500.00 per week and to continue at this rate until and beginning four weeks prior to the actual commencement of the production of a picture, when and at which time the salary of the president shall again be increased to \$2500.00 per week, to continue during and throughout the period of time while actually engaged in the photographing of the picture, and extending two weeks after such finishing date.

Director Gladys Rosson then opened the discussion and explained to the Board the contingencies contained in the agreement with Metro-Goldwyn-

Mayer in the production of pictures; that the third picture, which would complete this contract, would start in October of this year and that arrangements should be gone into as to the continuation of the present affiliation or making connections elsewhere. [710]

Director Constance A. deMille, brought up the next subject in order, and presented to the board for consideration, the purchase by the corporation from Mr. deMille and Mrs. deMille, property located at 2026-30 Argyle Avenue, Hollywood, on which she had a proposition in conjunction with Judge Edmonds for the building of an apartment house.

Director Cecilia deMille Calvin then made a motion which was seconded by Director Ella King Adams and unanimously carried, and it was—

RESOLVED: That Cecil B. deMille, the president of this corporation, be and he is hereby authorized to purchase from Cecil B. deMille and Constance A. deMille, his wife, the real property located at 2026-30 Argyle Avenue, Hollywood, described as—

N. 12.5 feet of Lot 20; all of Lots 21 and 22 of J. M. Roberts Tract, Los Angeles County.  
to be a cash purchase and to represent the total cost, including taxes and other carrying charges expended during the time the ownership of said property was vested in Mr. de Mille, and

That Cecil B. deMille, the president, and A. G. King, the Secretary, be and they are hereby authorized to purchase said property on such terms

mentioned, and to do any and all things necessary to vest the property in this corporation.

Mr. deMille then advised the Board that after numerous conferences between himself, Mr. King, Mr. N. S. McCarthy, the attorney for this corporation, and Miss Rosson, that it had been deemed advisable to form a corporation to be known as PAMLICO, LTD., all of the capital stock of which corporation to be owned and held by this corporation. That PAMLICO, LTD. would handle investments only, such as the one which had been entered into with the Elmer Co., Ltd., and to finance contracts of the California Gunitite Construction Co., and Western Gunitite Company. [711]

In this connection Mr. deMille advised the board that the construction companies have been showing good returns and that he felt this business would continue to be successful.

Upon motion duly made, seconded and unanimously carried, it was—

RESOLVED: That Cecil B. deMille, the president of this corporation, and A. G. King, the secretary, be and they are hereby authorized to proceed with the necessary steps toward incorporating the PAMLICO, LTD., and,

That they be, as such officers, authorized to assign, convey and set over to PAMLICO, LTD., in exchange for stock in said company in an amount equal to the value of the interests so conveyed, the interests of the ELMER CO. LTD., the interest in the Leo D. Jacoby proposition, and such other investments as this corporation now holds in various

other enterprises and which, in the opinion of the president and secretary of this corporation would be deemed advisable to the success and advantage of all concerned.

The president then opened a discussion regarding the vast investments this corporation has been making in the work of acquiring and cultivating of lands in Arizona, and acquiring and holding stock in certain organizations to carry on such land work, such as LONE BUTTE FARMS CO., SALT RIVER VALLEY LANDS, INC., the BOSWELL COMPANY, etc. He stated that our corporation had recently made an investment in the AZTEC RANCHING COMPANY to the extent of \$4500.00; together with the investments of J. G. Boswell Co. of \$16,500.00 and A. G. King in the amount of \$9,000.00, which company would enter into farming operations on certain leased lands in Arizona. [712]

Mr. deMille also advised the board that this corporation had entered into negotiations with one J. L. Hodges at Maricopa County, Arizona, to develop land, and that a company would be formed to be called ALBEMARLE, LTD., and that it was the intention of our corporation to invest a total of \$22,500.00, to be outlayed over a period of time.

In this connection Mr. deMille wanted to advise the board that he did not want to extend this corporation too far into the development of land and would probably, after further discussion with Mr. King, recall the extensive investment in this last company and allow only the initial amount of



\$1500.00 already paid in, to stand as the total investment.

Upon motion duly made, seconded and unani-  
mously carried, it was:

RESOLVED: That Cecil B. deMille, the presi-  
dent, and A. G. King, the secretary, be and they are  
hereby authorized to purchase from the ALBE-  
MARLE, LTD., stock in the amount of \$22,500.00,  
or such lesser amount as they may deem advisable.

The matter of insuring the life of A. G. King, the  
secretary and business manager of this corporation,  
such insurance to inure to and be for the benefit of  
this corporation, was brought to the attention of the  
board by Director Gladys Rosson, and Mr. deMille  
stated that in his opinion a five year term of  
\$100,000.00 would be sufficient.

Upon motion duly made, seconded and unani-  
mously carried, it was:

RESOLVED: That Cecil B. deMille, be and he  
is hereby authorized, for and in behalf of this cor-  
poration, to make application to a reputable insur-  
ance company for a general policy of insurance on  
the life of A. G. King, the secretary and business  
manager of this corporation, in the amount of  
\$100,000.00, such insurance to be for the benefit of  
this corporation.

A. G. KING

Secretary. [713]

Regular meeting of the Board of Directors of  
Cecil B. deMille Productions, Inc., held at 2000



deMille Drive, Laughlin Park, Hollywood, California, on Monday, July 7, 1930:

Present: Mr. Cecil B. deMille

Mrs. Constance A. deMille

Mrs. Cecilia deMille Calvin

Miss Gladys Rosson

Mrs. Ella King Adams

Absent: Mr. A. G. King

The minutes of the last regular meeting were read and approved. Upon motion duly made, seconded and unanimously carried, it was:

RESOLVED: That Cecil B. deMille, the president, and A. G. King, the secretary, or Gladys Rosson, the assistant secretary of this corporation, Cecil B. deMille Productions, Inc., be and they are hereby authorized, directed and empowered to borrow from the BANK OF ITALY NATIONAL TRUST AND SAVINGS ASSOCIATION, for and in the name of this corporation, and on such terms as may be agreed to by said officers, such sum or sums of money as, in the judgment of said officers, this corporation may require, provided the aggregate amount of such loans shall not, at any one time, exceed the sum of Five Hundred Thousand dollars (\$500,000.00); and said President and Secretary or Assistant Secretary are hereby authorized, directed and empowered to execute in its corporate name, for such moneys so borrowed, and interest, the note or notes of this corporation, and deliver the same to said bank, and said bank is hereby authorized and requested to accept for said moneys so borrowed,

and interest thereon, the said note or notes of this corporation so executed; said officers are further authorized, directed and empowered to execute and deliver to said bank renewal or renewals of said note or notes on such terms as they may agree upon; and

BE IT FURTHER RESOLVED, that said President, and said Secretary or Assistant Secretary be, and they are hereby authorized, directed and empowered to pledge with and deliver to the said bank as security for any such note or notes, and interest, and any renewal or renewals thereof, any property belonging to this corporation, and also from time to time to substitute for said property, or any part thereof, other property to be held on like pledge; and

BE IT FURTHER RESOLVED, that the President, and Secretary or Assistant Secretary of this corporation be, and they are hereby authorized, directed and empowered to execute in its corporate name and deliver to the said bank such pledge agreement or agreements as they may deem expedient, authorizing and empowering said bank, or its assigns, to sell the said security, or any part thereof, or any property of this corporation which may at any time be in the [714] possession of said bank, upon such terms and conditions and at such place or places as the said officers may deem expedient, and the said officers are hereby authorized, directed and empowered to insert in said pledge agreement, or agreements, such waivers of demand, notice, advertisement, and such other waivers, provisions

and stipulations as to them may seem expedient; also to consent that the said security may be held by said bank to secure any other indebtedness due to said bank from this corporation, and generally to enter into any agreement with said bank, and to execute and deliver to it any authority or power of attorney which this corporation might or could enter into, upon and in reference to any subject whatsoever; and

BE IT FURTHER RESOLVED, that the President or Vice-President, and Secretary or Assistant Secretary, of this corporation, be and they are hereby authorized, directed and empowered to discount with said bank, notes payable to this corporation, and acceptances due this corporation, and also any other evidences of indebtedness due this corporation upon such terms as may be agreed to by said officers, and to endorse in the name of this corporation such evidences of indebtedness so discounted by said bank, and to guarantee the payment of the same to said bank; and

BE IT FURTHER RESOLVED, that said bank is hereby authorized to act upon this resolution until written notice of its revocation is delivered to said bank.

RESOLVED FURTHER: That the above resolution cancels and supersedes the resolution of Mar. 7, 1927.

Upon motion duly made, seconded and unanimously carried, it was:

RESOLVED: That Cecil B. deMille, the president of this corporation, be and he is hereby au-

thorized to sell thru E. F. Hutton & Co., 100 shares of Transamerica Corporation, capital stock, and,

That Cecil B. deMille, the president, and A. G. King secretary, be and they are hereby authorized to endorse the certificate on behalf of this company.

A. G. KING

Secretary [715]

Regular meeting of the Board of Directors of Cecil B. deMille Productions, Inc., held at 2000 deMille Drive, Laughlin Park, Hollywood, California, on Monday, August 4, 1930:

Present: Mr. A. G. King

Mrs. Constance A. deMille

Mrs. Cecilia deMille Calvin

Miss Gladys Rosson

Mrs. Ella King Adams

Absent: Mr. Cecil B. deMille

The minutes of the last regular meeting were read and approved. Upon motion duly made, seconded and unanimously carried, it was:

RESOLVED: That Cecil B. deMille Productions, Inc., be and it is hereby authorized to borrow not to exceed \$100,000.00 from the Security First National Bank of Los Angeles, Hollywood Office, and

That Cecil B. deMille, President, and Gladys Rosson, Secretary, or A. G. King, Treasurer, be and they are hereby authorized to execute notes or other evidences of indebtedness required by said bank, and

It is further resolved, that Cecil B. deMille Productions, Inc., be and it is hereby authorized to open an account at the Security First National Bank of Los Angeles, Hollywood Office, and that checks on said account will require the signature of any two of the following officers or directors:

Cecil B. deMille.....President  
 Constance A. deMille..Vice-President  
 A. G. King.....Treasurer and General Manager  
 Gladys Rosson .....Secretary and Assistant Treasurer  
 Cecilia deMille Calvin .Director & Assistant Secretary  
 Ella King Adams.....Director  
 Frank E. Calvin.....Assistant to the President

The secretary then submitted an offer from Cecil B. deMille to purchase not to exceed one hundred twenty (120) bonds of Hidalgo County, Texas, Water Control & Improvement District No. 1, reading, as follows: [716]

“August 1, 1930

To—

Cecil B. deMille Productions, Inc.  
 Culver City, Cal.

Gentlemen:

I hereby offer to purchase from CECIL B. DE MILLE PRODUCTIONS, INC., bonds of Hidalgo County, Texas, Water Control & Improvement District No. 1, in an amount not to exceed One



hundred twenty (120) bonds, and pay for the same at a price of Eight hundred fifty (\$850.00) dollars, per bond, plus accrued interest to date of delivery to me.

Yours very truly,

Cecil B. deMille."

The secretary explained that Mr. deMille would not return to his office until after Labor Day, and that payment for the bonds would not be made until he returned, on or about September 4th.

On motion made by Director Ella King Adams, seconded by Cecilia deMille Calvin, it was unanimously:

**RESOLVED:** That Constance A. deMille, Vice-President, and A. G. King, Treasurer, be and they are hereby authorized, on behalf of this corporation, to sell to Cecil B. deMille, at the price of \$850.00 for each \$1,000.00 bond, plus accrued interest, all or any part of One hundred twenty bonds of HIDALGO COUNTY, TEXAS, WATER CONTROL & IMPROVEMENT DISTRICT NO. 1, which now are or may come into possession of Cecil B. deMille Productions, Inc., to be paid for by Mr. Cecil B. deMille following his return on or about September 4th; and

The secretary is hereby ordered to spread upon the minutes the offer made by Cecil B. deMille, dated August 1, 1930, to purchase said bonds.

There being no further business to come before the meeting it was adjourned.

GLADYS ROSSON

Secretary [717]

MINUTES  
OF  
SPECIAL MEETING OF THE  
BOARD OF DIRECTORS  
OF  
CECIL B. DE MILLE PRODUCTIONS, INC.  
Held: September 30, 1930.

We, the undersigned, directors of CECIL B. DE MILLE PRODUCTIONS, INC., hereby give our consent to the holding of a special meeting of the Board of Directors of CECIL B. DE MILLE PRODUCTIONS, INC., at 2000 deMille Drive, Laughlin Park, Hollywood, California, on the 30th day of September, 1930, at the hour of 9: o'clock P M thereof, for the purpose of discussing the matter of dividends to be paid, and such other business that may legally come before the meeting.

Dated: September 30, 1930.

CECIL B. deMILLE  
CONSTANCE A. deMILLE  
CECILIA deMILLE CALVIN  
GLADYS ROSSON  
ELLA KING ADAMS  
A. G. KING  
FRANK E. CALVIN

A special meeting of the Board of Directors of Cecil B. deMille Productions, Inc., was held on September 30, 1930, at 2000 deMille Drive, Laughlin Park, Hollywood, Cal. at the hour of 9: P M, said meeting being held pursuant to call by telephone,

and the foregoing written consent and waiver of notice by mail, signed by all the directors.

The reading of the minutes of the last meeting was waived; and the meeting was called to order by the President, who called the [718] roll and found—

Present: Mr. Cecil B. deMille  
Mrs. Constance A. deMille  
Mrs. Cecilia deMille Calvin  
Mr. Frank E. Calvin  
Miss Gladys Rosson

Absent: Mrs. Ella King Adams  
Mr. A. G. King

The President stated that in view of the acute financial conditions prevailing, he thought that the company should conserve its cash and recommended that the payment of a dividend of only 75 cents per share per quarter, instead of \$1.50 per quarter, be made, and continue until such time as financial conditions were improved.

Mr. de Mille felt that dividends should be waived entirely, and that if conditions picked up during the coming year, the company could consider paying extra dividends. He also pointed out the fact that the losses this corporation had sustained and the shrinkage in the market value of many of its holdings made it appear in his opinion, foolhardy to continue paying dividends on the same basis, and asked that the directors give thought to retrenchment wherever possible, and make every effort to put the company in a position to meet whatever contingencies might arise.

The President continued, stating that business conditions throughout the country were extremely bad; that there has been a tremendous shrinkage in the market value of securities generally; that many of the more important companies had found it advisable, and in many instances necessary, to cut dividends, and that a very unstable condition at present existing in the motion picture industry made it well to bend every energy to save every dollar.

The President also called attention of the Board to the fact that the picture on which we are about to embark, *THE SQUAW MAN*, [719] was the third and final production for which our company had contracted to deliver to Metro-Goldwyn-Mayer, and that no association beyond this had been lined up.

The President stated that he recently had been in a meeting where Elisha Walker, Chairman of the Board of Directors of Transamerica Corporation, had spoken on conditions as he had found them through the country, and from other general conversation of men in banking and manufacturing circles, the President gleaned that it would seem that the period of business depression would probably last for another two years. The President stated, however, that Mr. Walker was more optimistic than this and felt that one year from now would see the turning point, but this opinion was not shared by the majority of business men present.

After further discussion, Frank E. Calvin proposed a motion that the dividend declared and payable on October 1st be cut in half and a dividend of 75 cents per share be paid as of October 1st, 1930.

The motion was seconded by Constance A. deMille and unanimously carried, as follows:

RESOLVED: That the regular quarterly dividend of \$1.50 per share on the stock of this corporation, be reduced to half, or at the rate of 75 cents per share, to become effective with the dividend paying date of October 1, 1930, and to continue at the rate of 75 cents per share quarterly until such time as the directors may deem it advisable to place the same back to the regular amount of \$1.50 per share, and

That A. G. King, the treasurer, is hereby directed to pay said dividend of 75 cents per share on the stock of this corporation, to all stockholders of record, as of October 1st, 1930.

There being no further business to come before the meeting, it was adjourned.

GLADYS ROSSON

Secretary [720]



MINUTES OF REGULAR MEETING  
of

CECIL B. DEMILLE PRODUCTIONS, INC.

Held: November 3, 1930

A regular meeting of the Board of Directors of Cecil B. deMille Productions, Inc., was held at 2000 deMille Drive, Laughlin Park, Hollywood, California, on Monday, November 3, 1930, at 9 p. m.

Present: Mr. Cecil B. deMille

Mr. Frank E. Calvin

Mrs. Constance A. deMille

Mrs. Ella King Adams

Miss Gladys Rosson

Absent: Mrs. Cecilia deMille Calvin

The minutes of the last meeting were read and approved.

The secretary then read a letter addressed to the President and Vice-President of this corporation, dated November 3, 1930, and signed by the Treasurer, which letter called particular attention to the financial conditions and the necessity of conserving the cash resources of the corporation. The letter also suggested that the salaries of the President and Vice President be reduced temporarily.

After a short discussion of the subject matter, the President and Vice President both stated that they were agreeable to a reduction of their salaries until such time as the financial conditions would justify an increase.

Upon motion made by Director Ella K. Adams, seconded by Director Gladys Rosson, and unan-  
imously carried, it was [721]

RESOLVED: That, effective with the week be-  
ginning November 3, 1930, the salary of Cecil B.  
deMille, the president of this corporation, be re-  
duced from \$1500.00 to \$500.00 per week; and ef-  
fective with the week beginning November 17, 1930,  
the salary of Constance A. deMille, the vice presi-  
dent of this corporation, be reduced from \$850.00  
to \$550.00 per week; and that these reductions shall  
remain in effect until and when the financial condi-  
tions of this corporation had improved materially  
and sufficiently to justify an increase, at which time  
the matter would be considered by the Board of  
Directors.

Upon motion duly made, seconded and unan-  
imously carried, it was:

RESOLVED: That Cecil B. deMille, the presi-  
dent of this corporation, be and he is hereby auth-  
orized to sell 100 shares of Richfield Oil, common  
stock, and,

That Cecil B. deMille, the President, and Gladys  
Rosson, secretary and assistant treasurer, be and  
they are hereby authorized to endorse the certificate  
on behalf of this company.

Upon motion duly made, seconded and unan-  
imously carried, it was:

RESOLVED: That Cecil B. deMille, the Presi-  
dent of this corporation, be and he is hereby auth-  
orized to sell 533 shares of Richfield Oil, common  
stock, and,

That Cecil B. deMille, the president, and Gladys Rosson, secretary and assistant treasurer, be and they are hereby authorized to endorse the certificate on behalf of this company.

There being no further business to come before this meeting it was adjourned.

GLADYS ROSSON,

Secretary [722]

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MINUTES  
OF  
SPECIAL MEETING OF THE BOARD OF  
DIRECTORS  
OF  
CECIL B. DEMILLE PRODUCTIONS, INC.

Held: April 30, 1931

We, the undersigned, directors of CECIL B. DEMILLE PRODUCTIONS, INC., hereby give our consent to the holding of a special meeting of the Board of Directors of CECIL B. DEMILLE PRODUCTIONS, INC., at 10202 Washington Boulevard, Culver City, California, on the 30th day of April, 1931, at the hour of twelve o'clock noon thereof, for the purpose of passing a new borrowing resolution with the SECURITY-FIRST NATIONAL BANK

OF LOS ANGELES, and for such other business as may come before the meeting.

Dated: April 30, 1931

Culver City, California.

CECIL B. deMILLE

CONSTANCE A. deMILLE

GLADYS ROSSON

A. G. KING

FRANK E. CALVIN

CECILIA deMILLE CALVIN

ELLA K. ADAMS

A special meeting of the Board of Directors of CECIL B. DEMILLE PRODUCTIONS, INC., was held on the 30th day of April, 1931, at 10202 Washington Boulevard, Culver City, California at the hour of twelve o'clock noon, said meeting being held pursuant to call by telephone, and the foregoing written consent and waiver of notice by mail, signed by all the directors. [723]

The reading of the minutes of the last meeting was waived; and the meeting was called to order by the president who also acted as chairman of the meeting. Miss Rosson acted as secretary and performed the duties of said office.

The secretary then called the roll, which was presented as follows:

Present: Mr. Cecil B. deMille  
Miss Gladys Rosson  
Mr. A. G. King  
Mr. F. E. Calvin  
Mrs. E. K. Adams

Absent: Mrs. Constance A. deMille  
Mrs. Cecilia deMille Calvin

Miss Rosson stated that on account of Mr. and Mrs. deMille possibly going to Europe for several months this summer, it is necessary to have a new resolution authorizing additional persons to sign notes at the Security-First National Bank of Los Angeles.

Upon motion duly made, seconded and unanimously carried, the resolution set forth below was adopted:

RESOLVED, That any two of the following officers, namely, the President, and/or Secretary, and either one of the following; the Vice-President, or Treasurer or Assistant Secretary, or E. K. Adams, a Director of this corporation are hereby authorized, on behalf and in the name of this corporation, to borrow, from time to time, with or without security, from the SECURITY-FIRST NATIONAL BANK OF LOS ANGELES, California, (hereinafter referred to as the "bank"), such sums of money for such times and upon such terms as may to them seem advisable, not exceeding in the aggregate at any one time the sum of Three Hundred



Thousand and 00/100 Dollars, and to execute notes, drafts, or agreements for the repayment of any sums so borrowed, and to pledge, mortgage, or hypothecate as security for the repayment of any such loans, such property or assets of this corporation as may be required and agreed upon between them and the bank, and to make, execute and deliver any said note or notes and pledge or mortgage in such form or forms and on such terms as may be adopted by or required by the said SECURITY-FIRST NATIONAL BANK OF LOS ANGELES: also to assign, transfer and deliver said personal property in the name of and as the acts and deeds of this corporation; [724] and to pay or discharge the same in accordance with the terms thereof or before maturity if agreeable to said bank; and to renew any such loan in whole or in part until the same is paid in full; and any one of such officers is authorized to arrange by oral agreement and without formal contract for the extension of maturity of any such loan or for like extension of any renewal thereof; and any one of such officers is also authorized on behalf of this corporation, from time to time, to discount or rediscount with said bank, bills receivable owned or held by this corporation, including notes, drafts, trade acceptances, or other paper, not exceeding in the aggregate at any one time the sum of Three Hundred Thousand and 00/100 Dollars, on such terms as such officer

may approve, and to indorse the same and/or guarantee payment thereof on behalf and in the name of this corporation, and said bank may, at any time, apply any money or guarantee payment thereof on behalf and in the name of this corporation, and said bank may, at any time, apply any money or property or deposit held by it belonging to this corporation to the payment of any indebtedness of this corporation to it, direct or contingent, whether due or not due.

RESOLVED FURTHER, That nothing herein contained shall be deemed to affect any authority heretofore or hereafter conferred by this corporation upon any person or persons, officer or officers; that in the event two or more resolutions of this corporation authorizing incurring of indebtedness are concurrently outstanding in different offices of said bank, the provisions thereof shall be deemed to be cumulative; that the authority herein conferred shall continue in full force and effect until written notice of its revocation shall be received by said bank at its banking house at Los Angeles, California, and that a certified copy of these resolutions be delivered to said bank.

There being no further business the meeting was adjourned.

GLADYS ROSSON. [725]

MINUTES OF REGULAR MEETING  
OF  
CECIL B. DE MILLE PRODUCTIONS, INC.

Held: June 1st, 1931.

A regular meeting of the Board of Directors of CECIL B. DE MILLE PRODUCTIONS, INC., was held at 2000 deMille Drive, Laughlin Park, Hollywood, California, on Monday, June 1st, 1931, at 10 o'clock A M.

Present: Mr. Cecil B. deMille  
Mrs. Constance A. deMille  
Miss Gladys Rosson  
Mr. A. G. King  
Mrs. Cecilia deMille Calvin  
Mr. F. E. Calvin  
Mrs. E. K. Adams

Absent: None.

The reading of the minutes of the last meeting was waived; Miss Rosson acted as secretary and performed the duties of said office.

The president stated that he regretted to advise the Board that the Treasury Department of the Government had rendered against the corporation a deficiency income tax for the years 1924-1928, inclusive, of \$1,381,893.93, concerning which he has had several conferences with the corporation's attorney, Neil S. McCarthy, and on his advice with Mr. Mackay of the firm of Dempsey and Mackay, who specializes in the handling of tax cases.

The president is confident that the position and attitude of the Government is unfounded and that a trial of the case should result in a decision in our favor. However, every precaution must be exercised to meet any eventuality.

The Government's action at this time is a very serious matter for the corporation, as it has prevented us from raising money by a general offering of stock to the public, a plan that has been worked over for some time and was ready for execution. The president and secretary have, therefore, been turning their minds to other methods of raising funds, and ask the approval of the Board to an agreement with Mr. A. P. Sutter to promote the financing of one motion picture in a sum not to exceed [726] \$1,000,000.00, which sum is to be subscribed by individuals or firms. It is contemplated that the picture be produced in 1932.

The president has further had in contemplation the making of one or more productions on the legitimate stage, and recently, through John C. Flinn, received a proposal that this corporation interest itself in taking over the theatre production activities of the late David Belasco. The president will confer personally with Mr. Flinn and Mr. Ben Roeder, the executor of the Belasco estate in New York and hopes to have something definite to report before the end of June.

The president has also been in conference with representatives of the British International Film Corporation, with studios in London, who propose that this corporation make a picture, personally di-



rected by Mr. deMille, and distributed by them on a percentage basis throughout Europe, and this corporation arrange for its distribution in this country. To this end, the president has instructed the corporation's attorney, Neil S. McCarthy, to negotiate with the United Artists Corporation for such distribution in the United States. Mr. McCarthy has also reported favorable negotiations with the Fox Corporation.

The president has also been approached by the Klaw-Erlanger interests with a view to interesting this corporation in joining the K-E group in making New York productions, directed by Mr. deMille. The president will also confer on this personally in New York in June, and will hope to have something definite to report to the Board before the end of June.

The president wished to explain to the Board that the reason he has been pursuing on behalf of the corporation these interesting proposals is because we have found definite opposition and antagonism to our continuing in the motion picture business, and it may develop that it will be necessary for us to encourage activities in other branches of the corporation's business with such remaining capital as we may have, and with such additional capital as we may be able to raise. We have met with antagonism to every move we have endeavored to carry through. The next few months should tell us whether it is the result [727] of conditions, and if so, it will right itself; but if conditions remedy themselves, and the antagonism to our interests continues, we



will have to realize that it is a definite and concerted movement to eliminate our activities from the motion picture field.

The president has presented to two leading companies in the industry the proposition of producing **THE SIGN OF THE CROSS**, which he believes at this time would be as sensationally successful as **THE TEN COMMANDMENTS**, **THE KING OF KINGS** and **BEN HUR**, and which could be reasonably made at this time. The executives of each company were most enthusiastic at first, and then appeared strangely lacking in enthusiasm and sympathy with the production.

The president has concluded it necessary to canvass and survey the theatrical and motion picture fields offered in England, France, Germany and Russia, and asks the approval of the Board to an absence of several months while he investigates the legitimate theatrical proposals in New York City, and in England, and seeks others in Germany and Russia. He has engaged Miss Leila Georgia to proceed immediately to Europe to search for dramatic materials and interesting personalities, novel ideas, etc., for which she has been paid in advance the sum of \$1,000.00, and will receive an additional 10% of any profits that may accrue to Productions in the event of the sale of any such properties by us prior to production of same.

The president asks to be authorized to expend not more than \$75,000.00 without additional authorization by the Board, to cover travelling expenses, the purchase of dramatic properties, scientific devices

for sound and camera equipment, and the possible investment in a motion picture studio, motion picture properties and/or motion picture production and distribution activities in Europe, and such other investments as he may deem advisable.

Upon motion made by Miss Rosson, seconded by Mr. King, it was; [728]

RESOLVED, that the president be, and he is hereby authorized to expend a sum not to exceed \$75,000.00 to cover travelling expenses, the purchase of dramatic equipment, and the possible investment in a motion picture studio, motion picture properties and/or motion picture production and distribution activities in Europe, and such other investments as he may deem advisable.

The president advises the Board of the close of the corporation's production activities for the Metro-Goldwyn-Mayer Corporation, its three years' contract having expired with the completion of *THE SQUAW MAN*. This production has been pre-viewed twice with most gratifying results and it is expected to be one of our most profitable properties.

The offices of the corporation will take over the president's studio suite at No. 2010 deMille Drive, in Laughlin Park, Hollywood, and continue all its business activities there.

The president has scrutinized every dollar of outgo and feels confident that all expenditures have been cut to a minimum and he cannot too strongly

urge the Board to exercise every precaution in the conservation of its cash and properties.

There are one or two other interesting real estate proposals that would effect an exchange of the Laughlin Park property for productive business income property, and these are being carried on by the secretary and will be reported on from time to time to the Board.

The president has arranged a satisfactory charter agreement with Harold B. Franklin for the rental of the schooner-yacht, SEAWARD, for four months, covering June, July, August and September, for the sum of \$10,000.00.

The president has been approached by the Paramount Corporation for the purchase of this corporation's rights in THE TEN COMMANDMENTS; the president has set a price of \$50,000.00 on these rights, and he expects to hear definitely on this matter shortly.

The assistant secretary, Mr. Calvin, reported steady progress in his dealing with a Catholic Cemetery interests in selling a portion [729] of the Hunter Ranch for approximately \$60,000.00 cash.

The Bank of America has appraised the Western Avenue property and Belcher Building improvement for a loan of \$90,000.00 for three years at 6% interest, for which loan the president asks the approval of the Board.

Upon motion made by Mrs. deMille, seconded by Mr. Calvin, it was,

RESOLVED, that the corporation be authorized to borrow from the Bank of America the

sum of \$90,000.00 for a period of three years with interest at the rate of 6%. Said loan to be secured by a first trust deed on the Western Avenue property and improvements known as the Belcher Building.

AND, that Cecil B. deMille, the president and Gladys Rosson, the secretary, be and they are hereby authorized to execute such notes and documents as may be required by the Bank of America.

The Bank of America has also offered a loan of \$60,000.00 on the West Adams and Vermont Avenue property on which we propose erecting a market building, on which a long term lease has been arranged. This will be a building loan to pay for the construction of the building to cost the sum of \$41,500.00, and to cover the cost of the fixtures, on which the bid has not yet been let. The president also asks the approval of the Board on this loan.

Upon motion made by Mr. King, seconded by Mrs. Adams, it was,

RESOLVED, that the corporation be authorized to borrow from the Bank of America the sum of \$60,000.00, for a period of three years with interest at the rate of 6%. Said loan to be secured by a first trust deed on the property located at West Adams Street and Vermont Avenue, and to be improved with a market building.

AND, that Cecil B. deMille, the president and Gladys Rosson, the secretary, be and they are



hereby authorized to execute such notes and documents as may be required by the Bank of America.

The president reported that the School Board offered to purchase from the corporation ten feet of Lot Three Hundred Fifty-four of Tract Number Fifty-eight, at a price of \$350.00, which would give them the necessary right-of-way for the school children in that district, and as the Treasurer and Secretary felt that this would not detract from the corporation's holdings they asked the approval of the Board to this sale.

Upon motion made by Mrs. Adams and seconded by Mrs. Calvin, it was, [730]

RESOLVED, That Cecil B. deMille Productions, Inc. be and it is hereby authorized to sell at the best price obtainable to LOS ANGELES CITY SCHOOL DISTRICT OF LOS ANGELES COUNTY, real property in the City and County of Los Angeles, State of California, described as follows:

The Easterly ten (10) feet of Lot Three Hundred Fifty-four (354), of Tract Number Fifty-eight Hundred Twenty-two (5822), sheets 1 and 2, as per map recorded in Book 66, pages 64 and 65 of Maps, records of said County, EXCEPTING all minerals, coal, oils, petroleum and kindred substances and natural gas under and in said land.



SUBJECT TO:

(1) All taxes for fiscal year 1931-32, and personal property tax of any former owner, if any;

(2) Conditions, restrictions, reservations, easements, rights and rights of way of record, if any.

IT IS HEREBY further resolved that Gladys Rosson, the Secretary, and A. G. King, the Treasurer, be and they are hereby authorized to execute Grant Deed and to do any and all things necessary to vest the property in the name of the buyer, LOS ANGELES CITY SCHOOL DISTRICT OF LOS ANGELES COUNTY.

The president stated that the corporation's income would be reduced for some time to come and that he thought it important to keep as large an amount of cash available as possible and recommended a dividend of not more than 75¢ a share be paid on the next dividend paying date which is July 1st.

Upon motion duly made, seconded and unani-  
mously carried, it was

RESOLVED, that the regular quarterly dividend of \$1.50 per share on the stock of this corporation be reduced to half, or at the rate of 75¢ per share, to become effective with the dividend paying date of July 1st, 1931, and to continue at the rate of 75¢ per share quarterly until such time as the directors may deem it advisable to place the same back to the regular amount of \$1.50 per share, and

THAT A. G. King, the treasurer, is hereby directed to pay said dividend of 75¢ per share on the stock of this corporation, to all stockholders of record as of July 1st, 1931. [731]

The President asked Mr. King to report to the Board concerning his eastern trip.

Mr. King stated that he went east primarily to find a buyer for the Hidalgo bonds but found the dealers and public were not buying stocks nor bonds. He spent considerable time with Mr. Knowlton, of the International Manhattan Company, and suggested a plan for putting the bonds in a pool and selling certificates of interest on a 5% basis against 6% bonds on collateral, putting up a surplus of 20 points per bond, with 8 points commission to the securities company, not for public distribution, but to be placed with clients. After arousing considerable enthusiasm on the proposition, Mr. Knowlton advised Mr. King that they would not handle anything but market securities. Mr. Knowlton said however that he would be glad to hear from Mr. King again about the middle of June. Mr. King talked to dealers in Chicago, Detroit, Buffalo and Philadelphia, but the same conditions existed everywhere, no market at this time, but many felt the situation might change rapidly. Conditions in Florida had improved greatly and this reflected a certain amount of optimism in various quarters.

The president inquired as to business conditions in general, to which Mr. King replied that business seemed dead, and *may* people were out of work.

The little flash of improved market conditions in May, was momentary for it slumped off again. Some high grade stocks were being accumulated and Government bonds and City of New York bonds had buyers.

The president asked Mr. King how he found the theatrical situation—both in the legitimate and motion picture fields. Mr. King stated that he had attended several theatres, but they were doing little business, and he saw no crowds.

Mr. King stated to the Board that after covering the east thoroughly, he proceeded to Texas and found both Hidalgo Districts Number 9 and 1 in better shape than Cameron Districts Number 1 and 2. Hidalgo Number 1 had collected 65% of the taxes and expected about 4% more. Our attorney there had followed [732] out the program we outlined on Number 1, making foreclosures on delinquents.

The president asked Mr. King to relate to the Board briefly the deal he had concluded for the Western Gunitite Company. Mr. King stated that a working arrangement with three other gunitite companies had been made to divide up the work gotten by any of the group into units of \$25,000.00 each—the work to be done by the companies in the following named order:

Western Gunitite Company, one; Cement Gun Construction Company, two; National Gunitite Company, three; and Kansas City Company, four. A general contract would be taken and the work split on this basis to the other companies practically at cost.

All profit from jobs to go into one company called Canal Lining, Inc. Through dividends, each of the four companies would share equally. Central Gunitite and National each turned over patents for ditch lining and signed an agreement to pay a royalty of  $\frac{1}{2}\%$  per foot for the use of these patents. Additional patents will be turned over to us and the company will charge royalties to any company doing that type of work. We can set the royalty at any figure. Mr. King insisted on a low royalty.

We can now maintain prices at a level to show a reasonable profit. Bonds have been voted for nearly \$13,000,000.00 worth of work in Texas. A great many are new projects. The bonds are speculative. He thinks that within ninety days the dealers will be willing to seriously consider offering the bonds. Allyn and Company will offer District Number 9 bonds within sixty days. They expect to start selling them in sixty days and take six months to sell one and one-half millions of bonds. Then, they would take on District Number 7 and Number 1—but District Number 7 first.

Mr. King also advised the Board that Henry Seay in Dallas, told him that he would take up the forty-eight bonds at the Bank of Manhattan in August if Allyn and Company did not take them.

District Number 1 will take \$50,000.00 one-year notes, but cannot meet that much obligations in one year, but if we could sell any substantial part of five year bonds, they would authorize \$300,000.00 five year bonds due in 1936. The District can issue interim bonds maturing on or before [733] fifteen



years, but cannot sell any more until they are retired which would limit the bonded debt to \$48.00 per acre.

The president asked Mr. King what Productions could anticipate as revenue from the Utilities. Mr. King replied that he estimated a minimum of \$25,000.00 per year, but a possibility of increasing it to \$40,000.00 this year. He stated that the Arizona road work was working out very well and within the budget. The profit estimated on current work is \$15,000.00. Mr. King stated there is a \$5,000,000 budget for road work in Arizona in 1932.

With reference to the Salt River Valley and Royal Dairy Products investments, Mr. King stated they had sold four hundred bales at an average price of \$9.80 net—and that 7¢ would let them out. He reported that J. G. Boswell thinks we will get between 12 and 13¢ a pound before the year is out.

The president asked Mr. King in what shape he believes the Boswell Company to be and was advised by Mr. King that he believes they are in good shape, and have been very conservative in making loans.

Our representative, Kenneth Lyne, advised Mr. King that collections were coming in fairly well on current sales.

Mr. King states that sales of land in Texas were being made all the time, which led the president to inquire if there were any campaigns on for the sale of Texas lands. Mr. King said that that sort of thing was very well organized in Texas—that agents brought carloads of prospective buyers down from



the northern central states and that after seeing the land, the majority became buyers.

Mr. King stated that he felt Lone Butte would work out all right.

Mr. King said that he had put \$30,000.00 himself into the Salt River Valley and Royal Dairy Products projects, and was working with Roger Morehart on a selling plan. The company needed \$4,000.00 for taxes which Mr. King loaned them when he was in Phoenix on his way east. He instructed Mr. Lyne to prepare a first mortgage in favor of Productions for all obligations making this company a preferred creditor after Western Group [734] Securities which is secured by a first loan averaging \$6.00 per acre.

The president stated that he was not familiar with just what Mr. Lyne's duties consisted of, but believed he was maintained in our employ principally for the purpose of selling our lands. Mr. King stated that in addition to selling, Mr. Lyne made collections and helped look after our farm operations.

The president voiced again his feeling that the Boswell Company should be watched most carefully. He recited that we had been persuaded to invest in that company on the positive and personal assurances of Mr. Boswell that we could not and would not receive less than 10% on our investment—that dividends would be paid and maintained on the Boswell stock, and were protected in such a manner that no matter what the price of cotton, the ginning operations would take care of the 10% dividend. This proposed investment was turned over to Mr. King for investigation, checking and recommendation, as

Mr. King had been present at each conference that the president and secretary had had with Mr. Boswell and Mr. Sherrill of the Boswell Company. Mr. King agreed with every statement made by Mr. Boswell. It was on this assurance and recommendation, that the Productions invested \$20,000.00 in the Boswell Company. The Boswell Company has not paid a dividend of any sort and Mr. Boswell seems to regard it as impertinence on our part to have expected dividends. It may become necessary as a minor stockholder to protect our interests through putting the matter in the hands of our attorney to bring suit against Boswell for selling us this stock on gross misrepresentations.

The president stated that he was not kindly disposed toward Mr. Boswell because he feels that Mr. Boswell foresaw disaster ahead and thought it well to get in outside money to enable them to weather the storm and in doing so, took our money, and the money, he believes, of several others, totalling about \$300,000.00.

The president asked the Board to keep this in mind and during his absence to take such steps as may be necessary to protect the best interests of the corporation. [735]

The president reported to the Board that he had been advised by Mr. King and Mr. Edgerton that EGERTON, KING & CO., LTD., would unquestionably be a source of revenue and that there was every possibility of the organization growing into a strong securities company.

The president stated that he had given Miss Rosson, the secretary of the corporation, considerable detailed instructions to carry out, that he had discussed at length with her our various investments and outlined to her such items as he felt must be watched most carefully to preserve the interests of the company; he also stated that he had urged her to conserve every penny of expenditure and to use every means at her command to effect collections and to call upon the Board and the corporation's attorney to consider and take action on any and all items that arose during the president's absence.

There being no further business to come before the Board, the meeting was adjourned.

GLADYS ROSSON

Secretary [736]

MINUTES OF REGULAR MEETING OF  
CECIL B. DEMILLE PRODUCTIONS, INC.

HELD: September 8, 1931.

As September 7th, 1931, the regular meeting date of the Board of Directors of CECIL B. deMILLE PRODUCTIONS was a legal holiday, an informal meeting was held on Tuesday, September 8th, at 10 o'clock A.M. following a call and notice by telephone.

Present:

Mr. A. G. King  
Mrs. E. K. Adams  
Miss Gladys Rosson  
Mr. F. E. Calvin

Absent:

Mr. Cecil B. deMille  
Mrs. Constance A. deMille  
Mrs. Cecilia deMille Calvin

The minutes of the last meeting were read and approved.

Miss Rosson acted as secretary and performed the duties of said office.

Miss Rosson informed the directors of a report received from Mr. deMille outlining an interesting offer that he had received for the Productions from Eric Hakim, representing a group of leading British capitalists, headed by a gentleman named Mr. Pinto, whose wealth is considerably over ten million pounds.

The contract submitted to Mr. deMille calls for Productions to make three pictures; the contract is cancellable by either party at the termination of the first picture. Productions would receive \$100,000. per picture, and a percentage on the first picture of 5% of the gross from \$1,100,000. to \$1,500,000.; 15% of the gross from \$1,500,000. to \$2,000,000; 20% of the gross on all over \$2,000,000. The percentages on the other two pictures will start after each picture has returned its negative cost. The idea is that after the completion of the first picture, if the English company and our company find it agreeable to work together, a new company will then be formed for the making of an English product that will be suitable for the markets of the world and comparable to American productions.

The contract calls for Mr. deMille to be actively in charge of all [737] production, to personally direct one super picture a year, he to select and bring to London a proper personnel for the making of the English pictures.



A leasing arrangement for the use of the Wimbley Studio, just outside of London, is under way and although the studio is equipped with a German equipment, it would be insufficient for the production activities of the contemplated size we would make.

Mr. deMille instructed Miss Rosson to send a complete list of all necessary equipment, together with prices immediately. The first production to be undertaken would probably be *THE SIGN OF THE CROSS*, the rights to which Mr. John C. Flinn is endeavoring to clear and secure for us.

A copy of the deal has been forwarded to the corporation's counsel, Mr. Neil S. McCarthy, for his approval of legal details.

Mr. DeMille, while in New York, told his *GRAND CENTRAL* idea for a play to the well-known playwright, Gladys Unger, who is to work out the idea and have it ready to submit to Mr. deMille when he returns to New York.

Mrs. Adams reported that Mrs. deMille has written the most glowing accounts of the theatrical season in London. She is attending a performance almost daily and feels quite confident of finding some suitable production material for us. She urged the purchase of the play, *THE IMPROPER DUCHESS*, but learned that it had just previously been sold to a New York producer.

Mr. King reported to the board that the construction business is holding its own and jobs in Arizona are being bid from time to time, but competition is



so keen that it is almost impossible to make any money at the prices for which the jobs are being let.

Mr. King also reported on the farming operations in which our corporation has a major interest and stated that our cotton crops are as good, if not better, than any in the same district, but unless cotton prices improve, he does not recommend putting the land into crops next year. [738]

Mr. Calvin reported that the market building being erected at West Adams and Vermont Avenue was progressing satisfactorily, and the opening was scheduled for October 3rd.

There being no further business to come before this meeting it was adjourned.

GLADYS ROSSON

Secretary [739]

MINUTES OF REGULAR MEETING OF  
CECIL B. DEMILLE PRODUCTIONS, INC.

Held: October 5, 1931.

A regular meeting of the Board of Directors of CECIL B. DEMILLE PRODUCTIONS, INC., was held at 2010 deMille Drive, Laughlin Park, Hollywood, California, on Monday, October 5th, 1931, at 10 o'clock A. M.

## Present:

Mr. A. G. King  
Mrs. E. K. Adams  
Miss Gladys Rosson  
Mr. F. E. Calvin  
Mrs. Cecilia deMille Calvin

## Absent:

Mr. Cecil B. deMille  
Mrs. Constance A. deMille

The minutes of the last meeting were read and approved.

Miss Rosson acted as secretary and performed the duties of said office.

Miss Rosson reported that Mr. deMille had cabled from Berlin that since discussing the deal for the making of the British productions by our corporation, the financial economic crisis had reached its peak in Europe and on account of strenuous times there, he had received word from Eric Hakim that unless it were possible for them to arrange for an American distributor to make a guarantee on the deMille product, it was felt better not to proceed with the making of the pictures. Mr. deMille pointed

out that if Mr. Hakim would secure the right distribution contract, a guarantee would not be necessary.

Mr. deMille, of course, appreciates the difficulty in which the British bankers find themselves, and although an American guarantee for the release of the product here was never contemplated when the production deal was being made, Mr. deMille felt that under the circumstances we should consider the deal indefinitely postponed.

Mr. deMille also reported that the Russian Government, through their Paris consul, approached him with a suggestion that Productions make a picture in Russia to be directed personally by Mr. deMille. They are to have a proposition ready for him to consider when he reaches Berlin.

While in Berlin, Mr. deMille was approached by some influential German capitalists with a proposition for Productions to make pictures in Berlin, both [740] German and English versions, for distribution in Germany, the United States and Great Britain; they to furnish half the financing, if we would obtain American capital for the remaining half.

Mr. deMille does not recommend this as the time for Productions to make an investment involving so large an amount.

Mr. deMille found an interesting situation in Germany in that the people are only accepting pictures in the German language, and the method of handling the films from America is not producing good financial results.

Mrs. Adams reported that Mrs. deMille had notified her of their conference with the European representative of Miss Leila Georgie whom the corporation had sent to Europe in advance to locate promising material and that while Miss Georgie submitted several interesting pieces, Mrs. deMille did not feel that any would be acceptable to American audiences.

Mrs. deMille is finding the German theatres most stimulating.

Mr. Cavlin reported there would be two weeks delay in the opening of the market, but it is definitely scheduled to open October 16th.

Mr. King reported that he and Miss Rosson had been considering a proposal outlined to them by Mr. W. S. Gelette for the sale of some of our holdings in Arizona, that the initial outlay would not involve more than \$800.00 and the idea has sufficient merit for him to ask the board to approve lending the money to Salt River Valley Lands, Inc.

Upon motion made by Mr. Calvin, seconded by Mrs. Adams, it was;

RESOLVED, that Gladys Rosson, Secretary and A. G. King, Treasurer of this corporation, be and they are hereby authorized to loan the Salt River Valley Lands, Inc. not to exceed the sum of eight hundred dollars, (\$800.00),

THAT, Gladys Rosson, Secretary and A. G. King, Treasurer, are hereby directed to pay to the Salt River Valley Lands, Inc. not to exceed the sum of eight hundred dollars, (\$800.00) in

amounts as required by the Salt River Valley Lands, Inc. [741]

Miss Rosson reported to the board that she had been working with Mr. Neil S. McCarthy on a proposal to sell the 2529 shares of the Golden State Theatre and Realty Company stock owned by Productions and 1 share owned by Mr. deMille, to the San Francisco Wigwam Theatre Company, and that the best price she had been able to obtain was \$30,935.00. On behalf of the corporation, Miss Rosson authorized Mr. McCarthy to negotiate an agreement for the sale of the stock at this figure providing a down payment of \$6,187.00 was promptly received and a note for the balance of \$24,748.00 with interest at 6%, principal payable monthly at the rate of \$515.59 starting November 8th, 1931, and interest payable monthly; this note to be secured by certificate for 2530 shares of Golden State Theatre and Realty Corporation stock issued to the San Francisco Wigwam Theatre Company and endorsed in blank by the officers of that company.

Miss Rosson asked the board to approve the action and as Miss Rosson expects to leave shortly on a vacation she further asks the board to authorize Frank E. Calvin to endorse the stock certificate if Mr. McCarthy is able to terminate this deal during her absence.

Upon motion made by Mr. King and seconded by Mrs. Calvin, it was,

**RESOLVED:** that Gladys Rosson, the Secretary, is hereby authorized on behalf of this



corporation to sell to the San Francisco Wigwam Theatre Company 2529 shares of Golden State Theatre and Realty Corporation stock belonging to Cecil B. deMille Productions, Inc. for a total price of \$30,935.00, taking in payment the sum of \$6,187.00 cash and a note for the balance of 24,748.00, bearing interest at 6% to be paid at the rate of \$515.59 per month starting November 8th, 1931, plus interest at 6%, also payable monthly, and that Frank E. Calvin, Assistant Secretary, be and he is hereby authorized to endorse the stock certificate.

Miss Rosson regretted to report to the board Mr. Austin Sutter's unsuccessful effort to secure financing for a motion picture to be made by Productions, and so the plan has been abandoned.

There being no further business to come before the board, the meeting was adjourned.

GLADYS ROSSON  
Secretary. [742]

MINUTES OF REGULAR MEETING OF  
CECIL B. DEMILLE PRODUCTIONS, INC.

Held: November 2, 1931.

A regular meeting of the Board of Directors of CECIL B. DEMILLE PRODUCTIONS, INC., was held at 2010 deMille Drive, Laughlin Park, Hol-

lywood, California, on Monday, November 2nd, 1931,  
at 10 o'clock A. M.

Present:

Mr. A. G. King  
Mrs. E. K. Adams  
Miss Gladys Rosson  
Mr. F. E. Calvin

Absent:

Mr. Cecil B. deMille  
Mrs. Constance A. deMille  
Mrs. Cecilia deMille Calvin

The reading of the minutes of the last meeting was waived; Miss Rosson acted as secretary and performed the duties of said office.

Miss Rosson reported to the board that Mr. deMille had proceeded to Moscow from Berlin to confer with the Mejrabpom Film, and as a result of his conferences with the Board of Directors of Mejrabpom Film, he was requested to submit a proposition to them. On behalf of our corporation, Mr. deMille wrote Mejrabpom Film as follows:

“Sept. 7, 1931.

Moscow, USSR.”

“Mejrabpom Film,  
Board of Directors,  
Moscow, USSR.

Gentlemen:

Pursuant to our recent conversation in which you asked me to submit terms under which the Cecil B. deMille Productions, Inc. would co-

operate in the production of a film to be directed in Russia by Cecil B. deMille, I have the following suggestions to make, upon which if they meet with your approval, a contract may be based:—

1. For the sum of 1.00 (one dollar) per month to be paid in Los Angeles, Paris or London, as desired, Cecil B. deMille Productions, Inc. would provide the services of Cecil B. deMille personally for the making of a picture to be directed by him in the English language and supervised by him in Russian and foreign languages.

2. Mejrabpom will provide all necessary funds for production of said picture including all expenses for deMille and staff, and foreign cast from Hollywood to Moscow and return to Hollywood and during their stay in Russia. Also, all costs for rental or purchase of sound equipment and transportation of same from whatever point rented or purchased [743] and return, if rented, upon completion of service. Also, all costs of English, Russian and foreign versions, including all costs of raw stock, negative and positive, purchase or rent of additional cameras than those provided by the studio, if required, cost of positive prints, sample print and laboratory work, wardrobe lighting, etc. etc., which are commonly understood as production costs.

3. Mejrabpom will provide the best studio space they have at the same rate as charged to

their other productions, which cost includes the use of all props, costumes, wardrobe, lighting equipment, etc. etc., in their possession or available, and the services of such actors as may be under contract to them at the same rate as charged to other Mejrabpom films.

4. Sound equipment to be rented or purchased will consist of full equipment for the making of one picture including portable equipment and portable electric generator which shall be purchased or rented by deMille as desired by Mejrabpom on the most reasonable terms possible from the country offering the best equipment at the lowest terms. If such equipment is purchased it shall not be charged to production cost.

5. deMille shall have entire charge of production and free choice of story and treatment of same. The subject shall be laid before Mejrabpom for suggestions and advice. If, for any reason, before or after the completion of the scenario, those in authority refuse to permit the production of the story as developed by deMille, and deMille and Mejrabpom cannot agree upon a compromise, Mejrabpom will pay all expenses incurred by deMille up to the time he is told that permission is refused, also return expenses to Hollywood. An author shall be immediately engaged to collaborate on the story. deMille desires stories submitted by Mejrabpom, with the view of their perhaps furnishing a fundamental idea for the production.

6. Mejrabpom will deposit \$50,000. to a joint account in New York for story expense, transportation of unit to and from Russia and towards other preliminary expenses.

7. American distribution shall be under deMille authority subject to approval by Mejrabpom. Contracts for all foreign distribution shall be approved by deMille.

8. American staff shall include camera men, writer, necessary sound and electrical engineers for sound equipment, assistant director, secretary and such others, as it may be mutually advantageous to bring.

9. In consideration of providing the personal services of deMille for the amount above mentioned, Mejrabpom will pay to de Mille Productions 10% of the gross receipts for the rental, sale or other disposition of the picture until a sum equal to the negative cost (exclusive of sound equipment, if purchased) has been recouped by Mejrabpom. Thereafter, deMille Productions shall receive 20% of said gross receipts, allowance being made by Mejrabpom for the true value of the ruble. Before figuring the above percentages Mejrabpom shall deduct 30% for cost of distribution. The 10% and 20% to be paid in dollars in Los Angeles, London or Paris as desired.

10. It is our understanding that there is a Russian law prohibiting payment of percentages on Russian grosses. Therefore, Mejrabpom will pay from its own receipts an amount equiv-



alent to what the above percentage on Russian distribution would equal, allowance being made for the true value of the ruble. [744]

11. If Mejrabpom so desires, and as evidence of good faith Cecil B. deMille Productions, Inc. will take a 10% interest in the costs and profits of the picture in addition to the above percentage and will pay with Mejrabpom 10% of all monies required, and receive 10% of all monies earned. Allowance being made for true value of the ruble.

The purpose of this letter is not a contract but to establish the basis upon which a contract may be made.

Sincerely

CECIL B. DEMILLE PRO-  
DUCTIONS, INC.

By (Signed) Cecil B. deMille.”

CBDM/LM

To which the Mejrabpom Film replied, translation of which follows:

“Moscow,

September 12, 1931

Mr. Cecil B. deMille, Director:—

We have received your written proposal with the conditions stated therein upon which a contract would be concluded for the joint production of a picture in the USSR under your direction. Considering work in cooperation with

you very desirable, Mejrabpom Film thinks that the following fundamental terms should be laid as the basis of commercial and producing relations between Mejrabpom Film and Cecil B. deMille Productions, Inc.:—

1. Mr. Cecil B. deMille takes upon himself the direction for the production of a sound film in the English, Russian, German, French and Spanish languages.

2. In order to coordinate all the most important questions for the realization of producing a picture with Mejrabpom Film, the latter offers its representative Mr. Cecil B. deMille's first assistant (personal candidature should be agreed upon with Mr. Cecil B. deMille.)

3. The rest of the personnel is selected by Cecil B. deMille together with the Mejrabpom Film representative.

4. Mejrabpom Film furnishes for the joint production of a picture its sound studios, equipment, costumes, props, etc.

5. After the approval of the scenario for the production of a picture, a preliminary estimate should be formed, approved by both sides. The cost of production of the five versions approximately amounts to 4,000,000 rubles. Each party pays half of all expenses for the production of the picture. Mejrabpom Film takes upon itself the payment of all expenses incurred in the USSR. Cecil B. deMille Productions, Inc., pays all the expenses connected with the importation

of sound equipment, etc., and other expenses made abroad.

6. Mejrabpom Film suggests the subject for the picture as well as the main idea for production and both the subject and the idea should be approved by Cecil B. deMille Productions, Inc.

The treatment of the accepted subject for scenario is entrusted to the author selected by both sides. The developed scenario is subject for approval by Cecil B deMille Productions, Inc. and Mejrabpom Film.

7. When the production of the picture is completed, the latter is given for rent, sale and other ways of exploitation abroad, and the order of exploitation in America, as well as in other countries is established by [745] mutual agreement, which is to be worked out at the conclusion of the contract between Mejrabpom Film and Cecil B. deMille Productions, Inc.

8. The receipts for the rental, sale, and other ways of exploitation go, in the first place, towards the negative cost of both sides of equally incurred expenses, and the net profit is shared equally (50% for each party).

9. As the rent of the picture in the USSR cannot be included in common receipts, that to be divided between both parties, Mejrabpom Film considers it to be just that Cecil B. deMille Productions, Inc. should be compensated by the gross receipts received from the exploitation of

the picture in some other country as for instance, England.

10. As regards the salary for the personal services of Director Cecil B. deMille, Mejrabpom Film understands that the salary of one of the most outstanding producers in the motion picture world, should be sufficiently high. The highest salary of our best masters, as for instance, producers Pydovkin, Eisenshtein, and Dovshenko, is estimated approximately at 10,000 rubles per picture. We understand, that this salary does not correspond with the scale accepted abroad. Therefore, we would consider it to be just, if you would agree to receive a fee for the direction of the picture in the sum of 50,000 rubles, in Soviet currency, which should be paid you at a date fixed in the contract.

We want to call your attention to the fact that the economical conditions in producing a picture in the USSR are much more profitable than abroad. The fee of our best actors enjoying world-wide fame as for instance: Leonidov, Moskvina, Batalov, Blumenthal-Tamarina, Meyer-gold, Kachalov and others amounts with the sum of 10,000 rubles for their participation in a picture. At the same time, such actors abroad receive ten times more. Sound studio in the USSR costs considerably less than abroad.

In your proposal there is a clause about the "necessity of discount from the true value of the ruble." We tried to decipher this clause and were forced to put it down to inexact transla-

tion. The soviet ruble, as fixed by our State Bank, has the value as regards the American Dollar of \$1.00—1 ruble 94 Kop. It is then clear, that all figuring we agree to base upon this proportion.

We are certain that the conditions stated herein will be the true reflection of our future commercial relations, and should they not meet with objection on your part, can be laid down as the basis for a contract between Cecil B. deMille Productions, Inc., and Mejrabpom Film.

We beg that you accept our assurance of our deep desire to realize the mutual production of a picture, and we await your answer to this letter.

Sincerely,

LM

MEJRABPOM FILM.

Supplement to #5 in letter to Mr. Cecil B. deMille:—

Each side pays 50% of all expenses for the production of the picture. The expenses incurred in the USSR in the Soviet Currency on account of the total cost of the production are paid by Mejrabpom Film; the expenses incurred abroad, as well as all expenses in foreign currency applied against the total cost of production are paid by Cecil B. deMille Productions, Inc.; for instance, all expenses connected with the sending of Russian actors and corresponding staff abroad are paid from the border by Cecil B. deMille Productions, Inc., on the con-



trary, all the expenses connected [746] with the bringing in of foreign actors and the other personnel from the Russian border are paid by Mejrabpom Film.

Should the expenses be unequally incurred by the contracting parties, then that party which pays over 50% is refunded the difference by the other party in American Dollars.”

LM

It is Mr. deMille's opinion that a deal with the Mejrabpom Film is really not possible on account of the true value of the ruble and the value of it in the U.S.S.R. (Russia). Mr. deMille has no doubt that the film would sell very well, but he is further of the opinion that it would be much better to make the picture in America, spending five or six hundred thousand dollars, and own it ourselves, rather than to attempt the production in Moscow on a fifty-fifty basis.

Mrs. Adams reported to the board that Mrs. deMille had notified her of the purchase for the corporation of the rights to a play called SQUARING THE CIRCLE by Valentine Kataeve, a play that is enjoying an enormous run in Moscow, and that she is considering a dramatic story, CHOCOLATE, a translation of which is being prepared for Mrs. Adams' consideration.

Mrs. deMille further instructed Mrs. Adams to prepare and forward to them at the earliest possible moment, a synopsis of CHOCOLATE and her opinion of its possibilities for a stage play and for a picture.

Mr. deMille feels that the time is probably right to make a production in New York and either of these properties would serve the purpose admirably. He is working on a treatment of SQUARING THE CIRCLE that he believes would be acceptable to New York audiences, and is also working on the dramatic story CHOCOLATE, and if it shapes up into an interesting play, Mr. deMille will so advise us.

Mr. Calvin reported that the market opened on Friday, October 16th, as scheduled, and that a tremendous business was done on the opening day and is continuing in a highly satisfactory manner.

Mr. King reported that the construction company had bid and been awarded thirteen jobs.

Miss Rosson reported that business of the Edgerton, King Company had improved in a very gratifying manner. [747]

Mr. King asked Miss Rosson to advise the board the present status of accounts and notes payable, and also asked for a report on other income of the corporation. Miss Rosson stated that interest due on the Seaboard Airline, Sinclair Consolidated, and Republic of Bolivia Bonds had defaulted and dividends on Central Investment Corporation, Otis Steel Preferred, and Transamerica have been passed and dividends of Nash Motors, Southern Pacific Company, and Standard Oil of Indiana have been reduced. It was anticipated that the Pennsylvania Railroad and the Union Pacific Company will decrease their dividends, although no official announcement has as yet been received.

Miss Rosson stated there were several cases of delinquencies in payments on notes and interest due our corporation, the largest item being the amount of \$4,513.32 due from Mr. Joseph L. Danziger, on note secured by his property on Los Feliz Boulevard. She recommends that the board continue to be lenient with him for an additional period to give Mr. Danziger every opportunity to bring his payments up to date.

Miss Rosson also reported on the F. C. Van Deinse note of \$15,000.00 and the Geo. H. Flebbe note of \$5,000.00. Mr. Van Deinse and Mr. Flebbe are making prompt payments of the interest and each has asked for one year's extension on the payment of principal of their notes, but these extensions have been declined on advice of counsel.

Mr. King reported that he had been devoting constant attention to the corporation's holdings of stocks and bonds with a view to selling or exchanging them for other securities, but is of the opinion that our listed holdings of stocks and bonds are as substantial as any new list that he could suggest and so recommends that with the possible exception of Transamerica stock, that we refrain from selling or exchanging at this time any of our present securities.

Mr. King again cautioned each member of the board to follow Mr. deMille's urgent and repeated advices to conserve our outgo to a minimum.

There being no further business to come before the Board the meeting was adjourned.

GLADYS ROSSON

Secretary [748]

MINUTES OF  
SPECIAL MEETING OF THE BOARD OF  
DIRECTORS OF  
CECIL B. DEMILLE PRODUCTIONS, INC.

Held: December 11, 1931.

We, the undersigned, directors of CECIL B. DEMILLE PRODUCTIONS, INC., hereby give our consent to the holding of a special meeting of the Board of Directors of CECIL B. DEMILLE PRODUCTIONS, INC. at 2010 deMille Drive, Laughlin Park, Hollywood, California, on the 11th day of December, 1931, at the hour of nine o'clock P.M. thereof, for the purpose of the President's final report with reference to his European trip, and for such other business as may come before the meeting.

Dated: Hollywood, California, December 11th, 1931.

CECIL B. deMILLE  
CONSTANCE A. deMILLE  
GLADYS ROSSON  
A. G. KING  
FRANK E. CALVIN  
CECILIA deMILLE CALVIN  
ELLA KING ADAMS

A Special Meeting of the Board of Directors of CECIL B. DEMILLE PRODUCTIONS, INC. was held on the 11th day of December, 1931, at 2010 deMille Drive, Hollywood, California, at the hour of nine o'clock P.M., said meeting being held pursuant to call by telephone and the foregoing written consent and waiver of notice by mail, signed by all the directors. [749]

The minutes of the last meeting were read and approved.

The meeting was called to order by the president, who also acted as chairman of the meeting. Miss Rosson acted as secretary and performed the duties of said office.

The secretary then called the roll which was presented as follows:

Present:

Mr. Cecil B. deMille

Mrs. C. A. deMille

Mr. A. G. King

Miss Glayds Rosson

Mr. Frank E. Calvin

Mrs. Cecilia deMille Calvin

Mrs. E. K. Adams

Absent: None

The president welcomed the members of the board and before proceeding with the general business before the board, he commented on the splendid manner in which the organization had conducted the company's business during the absence of himself and the vice-president.

Having reviewed conditions at first-hand in Europe, the Orient and in New York, the President stated that he felt this company was facing the same serious situation that confronted the rest of the world, except those few gentlemen who had learned how to sell securities short on the market; but he was glad to report that we have a chance of reaping a reward for the investment we made this



past summer in sending the vice-president and himself abroad in search of new ideas. Approximately \$14,000.00 was expended for the corporation, (and the president and vice-president expended about \$11,000.00.) Three plays were procured for the corporation, SQUARING THE CIRCLE, by a Russian author, Valentine Kataev, CHOCOLATE, a novel by Alexander Tarasov-Rodinov, published by Doubleday, Doran and Company, and we are now awaiting the receipt of an English translation of THE DAYS OF THE TURBINS by Bulgakov, which is being made by Eugene Lyons, in Moscow.

The president is firmly convinced that the best procedure would be to produce SQUARING THE CIRCLE as a legitimate play in New York, opening it in April. It would be excellent summer show material. It could be prepared as a picture, but the picture industry here is in such a chaotic state and money is being lost so fast by the major producing companies—with the exception of the Metro-Goldwyn-Mayer Studio—that with the avenue of independent production still closed to us, the president feels that our immediate future endeavor is brighter [750] in the legitimate field.

The foresight of our organization in having amassed cash for production purposes is responsible for this company having been able to send two of its officers to Europe this summer for good marketable ideas, and in the face of calamity on all sides, we have kept our heads above water in the conduct of our various business interests without dismissing any employees. However, the president

is planning a policy of even greater retrenchment in every way, and a reduction in all salaries is imminent. Old organizations and much larger organizations than ours have found it expedient to take this step and we must follow to maintain our present position financially. Had we invested in pictures two years ago, we undoubtedly would have been in bankruptcy today, for many pictures have not even returned negative costs. Independent pictures have been utilized by the major companies as buffers on which to bounce their own productions. Even the Class A securities in which we invested many hundreds of thousands of dollars have shrunked dismally under the present management of the country.

The president stated that they found themselves in the position of national heroes in Russia—that one of the deMille Productions was considered the greatest that had ever shown there—either from the Russian Studios or elsewhere; and it was not *THE VOLGA BOATMAN*, as one might suppose, but *THE GODLESS GIRL*. It is *THE BIRTH OF A NATION* to Russia. They were told more than once that it is the greatest picture of all time for Russia.

The president said that the company for whom we made it, we will recall, had little or no faith in it, and they sold it for distribution in Europe for the sum of \$7,000.00; and the president was informed that in the Russian theatres alone, it had grossed over \$2,000,000.00. When the president and vice-president reached Tiflis, in the southern part of Russia, they found the picture completing a

second run of three months, in a theatre that changes its pictures weekly.

The president said that he could not too highly commend the importance and value of having been accompanied by the vice-president, because they were entirely alone in each of the foreign countries, conducting negotiations in a language foreign to them. There were huge sums involved in the discussions, and the Russians, Germans and British were very astute business minds to cope with—much of the negotiations had to be carried on through interpreters—and it was very valuable to have another present to hold our own. In Berlin they decided that it would be best [751] to take Theodore Kosloff into Russia with them, preferring to have their own interpreter instead of having to rely on one of the Soviets—and it was unquestionably a wise move. The president also commended the vice-president for her earnest pursuit of play material in New York, London, Paris, Berlin, Russia and in Cairo; and is equally enthusiastic with her over the three stories chosen.

But the president was glad to cast one ray of hope in this rather dark and gloomy picture: The one solvent motion picture company today, Metro-Goldwyn-Mayer Corporation advised him through their production chief, Irving Thalberg, that they would like him to direct a Russian picture they desire to make, and that while the terms would be nothing like the terms of the past, Metro-Goldwyn-Mayer Corporation would like to make an arrangement with Productions for the personal

services to direct this picture. The president recommends that we consider this, as it is through our having sent him to Europe, and through Russia particularly, that this engagement has now come up.

The president pointed out, however, that there were many things to consider before deciding upon this offer. The president has not had an opportunity to read the story and so cannot say whether or not the nature of it would hurt our standing in Russia, which is at present very high.

Our negotiations with the Russian film company, Mejrabpom, are still pending. The board is familiar with the offer and so it will not be repeated at this time.

The president stated that in his opinion the Russian offer made by Mejrabpom might easily develop into a very fine connection provided we could find a way of solving the difference in the true value of the ruble—and that this matter might be solved if America went off the gold standard.

The president asked for the opinion of board members on the proposal made by Metro that we make a picture on a Russian subject for them.

The vice-president stated freely her fear that if we made a picture not in sympathy with the present Russian movement, it might for all time endanger our standing in Russia, which she assured the board was very high; that while she realized the desirability of our company taking advantage of any good monetary offer, she felt that the president should make a Russian picture only if the story was one that he felt presented a true picture of Russia



as they found it today; and [752] that he should not do any piece of work that would reflect upon the Russian movement or that was contrary to the Russian Government's ideals.

Mrs. Calvin expressed herself in accord with the Vice-president and asked the president to what extent he believed Metro-Goldwyn-Mayer would permit us to alter the story if we found it was derogatory to the Russian movement.

The president replied that he had gathered the impression that the Metro-Goldwyn-Mayer story was quite definitely settled upon and that it would be a question of adhering closely to the script.

Mrs. Adams recommended that the president view the Metro-Goldwyn-Mayer story with an open mind, and if it were too far afield from Russia as he found it to be, endeavor to interest them in one of the properties that the president acquired while in Europe.

The president felt inclined to recommend that if the Metro-Goldwyn-Mayer proposition worked into a profitable venture that we might well consider a contract with them and regard their story as a dramatic vehicle whether or not it reflected true or untrue facts.

Mr. King recommended that the president proceed with the negotiations with Metro-Goldwyn-Mayer, familiarize himself with the story, and report on it again at our next meeting.

Mr. Thalberg stated very emphatically to the president that some big changes were imminent in the film field, and that when the smoke had cleared away, there might be a very good place for the deMille



Productions to land; that several of the major companies were in real difficulties and that an independent producer, like the deMille Productions, would again have a real position in the amusement field.

The president reminded the board that we had at all times kept our heads and ideals high, made interesting and fine productions during our entire history, and had refrained from unwholesome subjects, even though the public did not seem [753] to clamor for clean pictures, but that since we had, through a combination of uncontrolled circumstances on our own part, been prevented from continuing to make our independent product, he did not recommend putting lightly aside any offer that would enable us to capitalize on his ability to direct pictures.

Miss Rosson asked the president what had been done toward securing a dramatist to prepare the manuscript of SQUARING THE CIRCLE.

The president informed the board that he had, through Collier and Flinn, Inc., agents, made an arrangement for the services of William A. Drake, a well-known dramatist, who was the adapter of GRAND HOTEL, one of the biggest successes New York has had in many years. The corporation's counsel was drafting a contract between Mr. Drake and the corporation. The president also stated that he had not progressed far enough with plans for the New York production of this subject to ask the board for an appropriation, but hoped to have

the manuscript sufficiently in shape to take this up at our next meeting.

The vice-president felt that in planning our legitimate productions, we should first offer SQUARING THE CIRCLE, that has run so successfully for three years in Moscow, and then follow it with the great dramatic story, CHOCOLATE, and follow that, with THE DAYS OF THE TURBINS. She felt that SQUARING THE CIRCLE, being a delightful Russian comedy and amusing entertainment, would put the public in the proper frame of mind to accept a more dramatic piece of work—she feels the American public will need to be educated, lightly and amusingly, to ensure the success of a serious story of Russia today.

The president stated he was inclined to agree with her.

The vice-president also offered the information that although it was considered a poor theatrical season in New York, the good plays, like MOURNING BECOMES ELECTRA, and several others, were enormous successes, packed *as* every performance. The poor offerings failed over night. So, she felt that with the history of the long term run behind SQUARING THE CIRCLE, we should certainly consider bringing it out in March or April.

The president talked with various producers in the east, and learned that theatres can be gotten on almost any terms, and with so many actors out of work, he felt that we could make a fine production for a very small outlay. He thinks SQUARING THE CIRCLE could be produced for \$10,000.00;

CHOCOLATE for \$25,000.00, but he could not estimate THE DAYS OF THE TURBINS, as the translation [754] has not yet reached us. He particularly urged the idea of considering the production of plays seriously, for if these first few were successful, we would then have the stage to turn to in the future if the independent motion picture field remained closed to us. He believes that our ability to produce good plays could start where the old deMille organization ceased twenty years ago when the company, first known as Mrs. Henry C. deMille Company, Inc., and later deMille Play Company, Inc., arranged for attractions and produced plays over the entire country.

Our counsel, Neil S. McCarthy, went on record in writing to Mr. deMille in New York that he disapproved of the corporation making legitimate productions on the ground that we needed to continue to make pictures for we could soon be forgotten. The president does not feel that ground is tenable for nobody goes to a picture because they remember him, but because they remember the number of good pictures we have turned out. After making some successful plays, we could through that medium gain an opening wedge for a distribution contract with a major distributing organization that is at present denied us. The president and Mr. McCarthy think it would be futile to enter into negotiations with the United Artists, as the United Artists organization is at present facing bankruptcy. They have made several successful pictures, but their distributing organization will not return them the nega-

tive cost on same. A picture contract is all a matter of release. In the past, one of the major companies would make a distribution contract with negative cost guaranteed against which financing was done by the banks; but in order to eliminate the independent producers, the major companies are refusing to make distribution contracts and without same, it is impossible to gain financing.

Mrs. Adams asked the vice-president to give the board her views of the trip she and the president recently completed.

The vice-president said that the reception accorded them throughout the countries visited was very gratifying, that the president was looked upon and considered a really great artist, that his productions throughout the years have been acclaimed in many instances as masterpieces, and that as an example of what is thought of him and his work is best demonstrated by the very interesting contracts offered him in London, Berlin and Russia. She, herself, feels that if the medium of exchange could be worked out, the Productions would best consider the Russian proposal. She expressed herself as to the great dramatic value gained by their [755] intimate viewing of foreign theatricals and pictures and meeting world-renowned artists and dramatists. She spoke briefly on the success she feels is in store for our production of the two plays and one story acquired in Russia. She also mentioned their attendance at a performance in an Amsterdam Theatre, where Mr. deMille was recognized and introduced from the stage during the course of the



play. The ovation was tremendous. While in Istanbul, the association of artists called gave a tea for them, and a special performance by their finest players.

They received an enormous amount of publicity in the daily papers and magazines of the countries, and were besieged for interviews in every city and town. The artistic people of each country presented themselves, appointments followed, and they had an excellent opportunity of exchanging ideas with the finest artists in the world. The name of deMille and deMille Productions are well-known everywhere. It was a great pleasure to find that in the foreign countries, the artists take their art very seriously—it is their mission in life—and it was very exhilarating and stimulating to meet that type of artist.

The reason that this great attention was paid to them, as Mrs. deMille stated, is because the deMille product is perhaps the best known in the world. It was most gratifying to find that it was not just in Europe where the trademark of deMille Production was recognized as having merit, but in the small towns of Turkey, Greece, southern Russia, Egypt, the Holy Land, etc.

With reference to the British film offer, that deal fell through undoubtedly through the collapse of the English commercial structure and the falling off of the pound, and the upheaval that followed in British business, nobody wishing to risk making a large production such as we contemplated at that time.



The president reported that while in New York, he negotiated with Mr. Lasky the terms under which we would be agreeable to Paramount re-releasing THE TEN COMMANDMENTS, with sound, and fixed ten per cent of the gross as a fair percentage. The president believes this will net our company in the neighborhood of \$50,000.00, and asked the approval of the board to closing for this release on those terms. ]756]

Miss Rosson reported that Mr. F. C. Van Deirse asked for an extension of time for the payment of his loan. The president suggested that we offer him a new two year loan with interest at 7%, providing he would furnish us with a new trust deed and have the title brought down to date.

Mr. Calvin requested the board to authorize a reduction in rent for Ernest Belcher to half rate for the months of November and December, and for the year 1932, to calculate his rental on the basis of 6% of \$100,000.00 ground rental, a reduction from the basis of 6% on \$140,000.00 as recited in the lease.

Mr. Calvin also requested a reduction of interest to 4% for the year 1932, for Mr. F. S. Hilpert on his note, secured by Trust deed on a Laughlin Park lot.

The president looked with favor on these adjustments as he did not recommend foreclosing and having these added properties on our hands. Mr. Belcher and Mr. Hilpert are able to meet a reduced note, but unable to keep their obligations alive at the current rates.

Under the present situation, the president is against the policy of maintaining our quarterly dividend payment, the next would be due on January 1, 1932, and recommends that the board take action on the matter. If we voted it, it would have to be paid from surplus as the earnings of the past year show a loss, and if we are forced to sell some of our securities, as we undoubtedly will be obliged to, the loss will be considerably larger. The president moved to waive the payment of dividends until this board decides the company is in a good position to do so.

Upon motion made by Mrs. Adams, seconded by Mr. Calvin, and unanimously carried, it was:

RESOLVED: That the payment of the regular quarterly dividend of \$1.50 per share on the stock of this corporation be waived, to become effective with the dividend paying date of January 1, 1932, and to continue until such time as the directors may deem it advisable to resume payment of same. [757]

Miss Rosson stated that it would be a great convenience to confine our banking to one branch of the Bank of America, and suggested that we close our accounts at the Culver City, Hollywood and Highland Avenue, and Seventh and Olive Street branches of the Bank of America, and open new accounts at the Hollywood and Ivar Branch of the Bank of America.

Upon a motion duly made, seconded and unanimously carried, it was:

RESOLVED: That this corporation establish in its name a COMMERCIAL account with the Bank of America National Trust and Sav-

ings Association upon such terms and conditions as may be agreed upon with said bank and that the President and secretary of this corporation be and they are hereby authorized to establish such an account.

RESOLVED: That Gladys Rosson, Secretary, is hereby authorized to withdraw funds of this corporation from the said account upon checks of this corporation in amounts not exceeding \$500.00 on any one check all other withdrawals shall require the signature of:

Cecil B. deMille or Gladys Rosson and/or  
Constance A. deMille, A. G. King, Frank  
E. Calvin, Ella King Adams, Cecilia de-  
Mille Calvin,

and they are hereby authorized to withdraw funds of this corporation from the said account upon checks of this corporation, signed as provided herein with signatures duly certified to said bank by the secretary of this corporation and said bank is hereby authorized to honor and pay any and all checks so signed, including those drawn to the individual order of any officer or other person authorized to sign the same.

Upon a motion duly made, seconded and unanimously carried, it was:

RESOLVED: That this corporation establish in its name a SPECIAL COMMERCIAL account with the Bank of America National Trust and Savings Association upon such terms

and conditions as may be agreed upon with said bank and that the president and secretary of this corporation be and they are hereby authorized to establish such an account.

RESOLVED: That Cecil B. deMille, the president, or Gladys Rosson, the secretary, and/or Constance A. deMille, vice-president, A. G. King, treasurer, Frank E. Calvin, Assistant Secretary, Ella King Adams, director, Cecilia deMille Calvin, director, of this corporation be, and they are hereby authorized to withdraw funds of this corporation from the said account upon checks of this corporation, signed as provided herein with signatures duly certified to said bank by the secretary of this corporation and said bank is hereby authorized to honor and pay any and all checks so signed, including those drawn to the individual order of any officer or other person authorized to sign the same.

Upon a motion duly made, seconded and unanimously carried, it was:

RESOLVED: That this corporation establish in its name a SAVINGS account with the Bank of America National Trust and Savings Association upon such terms and conditions as may be agreed upon with said bank and that the president and secretary of this corporation be and they are hereby authorized to establish such an account. [758]



RESOLVED: That Cecil B. deMille, the president, or Gladys Rosson, the secretary, and/or Constance A. deMille, vice-president, A. G. King, Treasurer, Frank E. Calvin, assistant secretary, Ella King Adams, director, Cecilia deMille Calvin, director of this corporation be, and they are hereby authorized to withdraw funds of this corporation from the said account upon checks of this corporation, signed as provided herein with signatures duly certified to said bank by the secretary of this corporation and said bank is hereby authorized to honor and pay any and all checks so signed, including those drawn to the individual order of any officer or other person authorized to sign the same.

Upon a motion duly made, seconded and unanimously carried, it was:

RESOLVED: 1. That the president of this corporation be, and he is hereby authorized and directed to rent a safe deposit box from the Hollywood Boulevard and Cahuenga Avenue branch of the Security Trust and Savings Bank of Los Angeles, California, subject to all the rules and regulations of said bank;

2. That Cecil B. deMille, president, and/or Constance A. deMille, vice-president, and/or Gladys Rosson, secretary and assistant treasurer, of this corporation be, and they are hereby authorized to have access to said safe deposit box, and any one of said persons shall have full



power and authority to do and perform, with reference to both withdrawing or changing, from time to time, the contents of said safe deposit box, or in relation to any other thing pertaining thereto including the surrender of said safe deposit box and the keys thereof, all things which said bank or its agents may deem necessary in and about the premises;

3. That this corporation hereby agrees to notify said bank of the death of any person now or hereafter authorized to have access to said safe deposit box, and will notify said bank immediately of any such death and will not seek access to said box until it has been examined and released in accordance with the Inheritance Tax laws of the State of California and of the United States;

4. That no rescission, modification, revocation or termination of all or any part of the foregoing resolutions or of any powers conferred thereby shall be effective as to the said bank until written notice of the same has been given to the office or branch of said bank at which said safe deposit box is rented;

5. That a copy of these resolutions be delivered to said bank.

There being no further business to come before the board, the meeting was adjourned.

GLADYS ROSSON

Secretary [759]

PETITIONER'S EXHIBIT NO. 5

[Endorsed]: Admitted in evidence Dec 13 1933

RECEIVED from CECIL B. DEMILLE PRODUCTIONS, INC., a corporation, the sum of FORTY THOUSAND DOLLARS (\$40,000.00), being in full payment of the amount due to the undersigned this day under that certain agreement dated the 23rd day of January, 1925, between the undersigned, Thos. H. Ince Corporation and the said Cecil B. deMille Productions, Inc., this payment together with the previous payment of Ten Thousand Dollars (\$10,000.00) made at the time of the execution of said agreement, making a total payment to date on account of the principal of the purchase price of the property described in said contract of Fifty Thousand Dollars (\$50,000.00)

Dated: at Los Angeles, California,

April 23, 1925.

THOS. H. INCE CORPORATION,

By ELINOR K. INCE (Signed)

[Seal] [760]

RECEIVED from CECIL B. DEMILLE PRODUCTIONS, INC., a corporation, the sum of FORTY THOUSAND DOLLARS (\$40,000.00), being in full payment of the amount due to the undersigned this day under that certain agreement dated the 23rd day of January, 1925, between the undersigned, Thos. H. Ince Corporation and the said Cecil B. deMille Productions, Inc., this payment together with the previous payment of Ten Thousand Dollars (\$10,000.00) made at the time of

the execution of said agreement, making a total payment to date on account of the principal of the purchase price of the property described in said contract of Fifty Thousand Dollars (\$50,000.00.

Dated: at Los Angeles, California,

April 23, 1925.

THOS. H. INCE CORPORATION,

By ELINOR K. INCE (Signed)

[Seal] [761]

### AGREEMENT FOR SALE OF REAL ESTATE AND PERSONAL PROPERTY

THIS AGREEMENT, Made this 23rd day of January, 1925, between the THOS. H. INCE CORPORATION, a Delaware corporation duly authorized to do business in the State of California, the party of the first part, and CECIL B. de MILLE PRODUCTIONS, INC., a California corporation with principal offices in the City of Los Angeles, State of California, the party of the second part;

#### WITNESSETH:

That the said party of the first part in consideration of the covenants and agreements herein contained and made by and on the part of the said party of the second part, agrees to sell, transfer and convey unto the said party of the second part, and the party of the second part agrees to buy all that certain lot, piece or parcel of land situated in the City of Culver City, County of Los Angeles, State of California, and bounded and particularly described as follows, to-wit:

Lots One (1), Two (2), Three (3), Four (4), Five (5), and Six (6), inclusive, of Tract 2530 of Culver City, County of Los Angeles, State of California, as per map recorded in Book 35, Page 10 of Maps in the office of the County Recorder of said County, said property including approximately twelve and six tenths (12.6) acres, and known as The Ince Studios.

Together with all buildings thereupon and all furniture, furnishings, studio equipment, mechanical plants, machinery, cameras and accessories, materials and merchandise on hand for the purpose of use in production of motion pictures, props, costumes, sets, flats and stage utilities, automobiles, wind machines, portable power plants and all other motion picture production equipment and accessories now on the said premises referred to herein and the property of the party of the first part, except the following articles of personal property, to-wit:

Such furniture and furnishings as Mrs. Ince shall desire to take from the office and retiring room of the late Mr. Ince, together with his personal effects from the buffet; the desks, [762] chairs and rug in the present Business Manager's office; two double desks, two single desks with chairs, two typewriters and typewriter desks with chairs and one adding machine from the present Auditor's office; all filing cases and filing equipment carrying the records of the present Thos. H. Ince Corporation, including one Safe Cabinet in the Auditor's



office; one motion picture camera and one trick motion picture camera, together with all equipment and the equipment of the present experimental shop; one projector-printer and the equipment (now under construction; one motor boat number 198-A; all Buffalo heads and hides; all interest in motion pictures heretofore produced; negative and positive film exposed and unexposed; motion picture rights in scenarios, books and compositions.

It is understood and agreed that an inventory will be made jointly by representatives of the parties hereto at the time of the party of the second part taking possession of the premises subject to this agreement, which inventories shall be annexed hereto and shall become a part of this agreement and according to which the party of the second part shall be obligated to the party of the first part for any replacement, loss or damage, should the party of the second part default in carrying out the terms of this agreement, or for any other reason the said property should revert to or the party of the first part become entitled to the possession thereof from the party of the second part, or its assignee, as hereinafter provided for.

It is further understood and agreed that inasmuch as the party of the first part is at present operating said studio as a rental studio and in completing motion pictures heretofore produced by it, that the party of the first part will use the said studio and all equipment or accessories connected therewith until the date when the party of the second part will take possession thereof under this agreement,



and shall not be chargeable for said [763] use and/or damage occasioned thereto due to the usual loss or wear and tear due to said use, and further, that as materials and stock on hand for use in motion picture production will be used in the usual course of business in the studio operation until the party of the second part shall take possession hereunder, that the consumption of any such stock or materials shall not be chargeable to the party of the first part nor shall any additions that might be made to said stock be chargeable to the party of the second part, but the inventories of such stock or materials as may be on the premises shall be made as of the day on which the party of the second part shall take possession.

It is understood and agreed that for the said real property herein specifically set forth and for the personal property upon said premises as herein described and limited the party of the second part agrees to pay to the party of the first part the sum of Five Hundred Thousand (\$500,000.00) Dollars, lawful money of the United States of America, and the party of the second part in consideration of the premises agrees to buy and pay to the party of the first part the sum of Five Hundred Thousand (\$500,000.) Dollars as follows, to-wit:

Ten Thousand (\$10,000.00) Dollars upon execution and delivery of this agreement, receipt of which is hereby acknowledged, and the further sum of Forty Thousand (\$40,000.00) Dollars or more, on or before the 23rd day of April, 1925, and Forty

Thousand (\$40,000.00) Dollars or more, on or before the 23rd day of December, 1925, and Four Hundred Ten Thousand (\$410,000.00) Dollars on or before the 23rd day of January, 1930, together with interest at the rate of five and a half (5½%) per cent per annum, from this date payable semi-annually on the 23rd day of January and the 23rd day of July of each year on all deferred payments herein provided for; all payments of principal and interest to be made to it at the [764] Commercial National Bank, Hollywood Agency, in the City of Los Angeles, State of California, unless otherwise directed in writing by the party of the first part.

It is further understood and agreed that at any time after the payment by the party of the second part of the first three payments provided herein on account of the purchase price aggregating the sum of Ninety Thousand (\$90,000.00) Dollars that the party of the first part may at its option deed the real estate included in this contract for sale to the party of the second part or its assignee and the party of the second part or its assignee will contemporaneously therewith execute a first trust deed upon said real property in favor of a trustee selected by the party of the first part for the benefit of the party of the first part as security for its note in such amount as shall remain due upon the said purchase price at that time and payable on or before January 23rd, 1930, with interest at five and one-half per-cent per annum payable semi-annually on the 23rd day of January and the 23rd day of July each year, and the party of the second part or its

assignee will at that time execute an agreement for conditional sale of the personal property consisting of all of the personal property included in this agreement and specifically reserving the title thereto in the party of the first part and containing all the clauses and provisions of this agreement which are applicable thereto.

It is agreed that in the event first party elects to have second party execute a trust deed as security for the unpaid balance of the purchase price or any part thereof, prior to the sale and transfer of this contract and/or of its right therein and thereto, to a corporation now formed or to be formed and in which Cecil B. deMille will hold not less than 48% of the capital stock thereof, as herein provided, said trust deed and the note or notes representing the indebtedness secured thereby shall each provide by the terms thereof that in the event first party shall transfer said real property to such assignee, said trust deed and the note or notes representing the indebtedness secured thereby shall be delivered up and cancelled upon demand by the second party and the tender by the said assignee [765] of second party of promissory notes in like sums and according to the tenor of the notes executed by the second party, and a first trust deed upon said property similar to the *some* executed by second party, which said notes and trust deed shall be signed and executed by said assignee, and it is further agreed that upon second party selling and assigning its interest in and to this contract of purchase and sale for the personal property herein described or any contract

of purchase and sale in lieu of this agreement to an assignee as herein provided, second party shall thereupon be released from all further obligations from said date of transfer under and/or by reason of this agreement, and any conditional sales contract executed in lieu hereof shall expressly so provide by its terms. That is to say, that second party shall at all times have the right to be released from all liabilities and obligations incurred under and by reason of this agreement upon transferring to the assignee of second party herein provided all of its right, title and interest in and to said real and personal property and the assignee assuming all said liability as herein provided and first party agrees that this shall be binding upon any assignee or successor in interest of first party in said property and/or under this agreement or by reason of any instruments executed pursuant to this agreement, and that such right of second party shall be specifically stated in any assignment or instrument executed under and by reason of this agreement and that any assignee or successor in interest of first party shall agree that second party shall be so released.

In the event the party of the second part is in default in any of the aforesaid payments, the entire balance of the purchase price then remaining unpaid shall immediately become due and payable at the option of the party of the first part.

The title to the real estate and to all personal property of any nature whatsoever shall remain vested in the party of the first part until all agree-



ments of any payments to be made by the party of the second part shall have been duly and punctually performed and made by the party of the second part.

The party of the second part shall not sell, assign or transfer this contract, nor sell or mortgage any of the property, real or personal, which is the subject of this agreement, except that the party of the second part may sell and transfer this contract [766] and all its rights therein and thereto to a corporation now formed or to be formed in which Cecil B. de Mille will hold not less than forty-eight (48%) per cent of the capital stock thereof, which will engage in the production of motion pictures, which corporation shall at the time of said transfer assume all the obligations of the party of the second part under this agreement and will execute an acceptance thereof with the party of the first part. It is understood and agreed that in the event second party shall sell and transfer this contract and/or all its right therein and thereto as herein provided, second party shall thereupon be released from all further obligations from said date of transfer under and/or by reason of this agreement.

It is understood and agreed that during such time as the title to the property, real and personal, which is the subject of this agreement shall remain vested in the party of the first part that the party of the second part will use said property with all reasonable care and caution and will not cause or permit said personal property, or any part of it, to be removed from the premises except in use



temporarily for motion picture production outside of the studio, in which instance or instances it is to be returned in reasonable time to the premises and shall be answerable to the party of the first part for any damage or physical injury to the said property which shall not be due to ordinary wear and tear. The party of the second part agrees that during such time as the title to said property, real and personal, shall remain in the party of the first part, to keep all of said property in good repair and to replace immediately with similar property of equal value any part or parts of said property which shall be consumed in the operation of the studio or destroyed, lost or materially damaged beyond repair by any cause whatsoever, provided that the party of the second part shall not be obliged to replace any [767] building or equipment or other personal property for which the party of the first part has been fully compensated.

The party of the first part by its authorized agent shall have access at all times during business hours to said property and equipment and to all the buildings situated thereon for the purpose of inspecting and inventorying same, and the party of the second part agrees to make immediately all repairs and replacements required under this contract that the party of the first part may report to it in writing after said inspection or inventory. The party of the first part by its authorized agent, shall at its option make an inventory as to the personal property and equipment on the premises on the 23rd day of January and the 23rd day of July, respectively, of each

year until One Half ( $\frac{1}{2}$ ) of the full purchase price under this agreement has been paid, and in said inventory all replacements of personal property for personal property belonging to the party of the first part which has been lost, destroyed, consumed, sold or taken from the premises shall be listed in said inventory as property of the party of the first part and subject to the terms and provisions of this agreement, and the party of the second part agrees to execute to the party of the first part any and all instruments that may be necessary to vest the title of said replaced personal property in the party of the first part at the time of the completion of said inventory.

It is understood and agreed that the party of the second part may make such alterations and changes or replacements in the buildings and equipment as it may desire provided that such alterations and changes do not lessen the value of any of said equipment or buildings so altered, changed or replaced, or render said buildings or equipment less adapted or useful in the production of motion pictures or of less value as a unit of the present motion picture production plant. [768]

It is understood and agreed that the party of the second part will during the first two years of this agreement spend not less than fifty Thousand (\$50,000.00) Dollars in material permanent improvements to the present plant other than repairs and maintenance, all of which improvements shall be such that they will form a part of the real property which is the subject of this agreement and the title

to which will vest in the party of the first part until conveyed to the party of the second part as provided by the terms of this agreement. It is understood and agreed, however, that second party may, in lieu of making the permanent improvements herein provided, or any part thereof, pay the first party the sum of Fifty Thousand (\$50,000.00) Dollars, or such proportion thereof as has not been expended upon the permanent improvements herein provided, which said sum shall apply upon the unpaid balance of the purchase price.

It is further agreed that the party of the second part may remove or replace the present wardrobe building and erect a building for said purpose in its place, and may remove or replace the present laboratory and erect a laboratory in place of same, provided that the new buildings are not of less value than the present buildings and are erected without any delay after the buildings which they are to replace have been removed. It is understood and agreed that in the event second party shall remove or replace the present wardrobe building and erect a building for said purpose in its place and/or remove or replace the present laboratory and erect a laboratory in place of the same, and either or both of said buildings shall exceed the value of the building it is to replace at the time of such replacement, then second party shall be credited the difference between the value of the old building and the cost of the building which replaces the same, upon said sum of Fifty Thousand (\$50,000.00) Dollars referred to in the pre- [769] ceding paragraph to be

expended by second party upon permanent improvements. It is further understood and agreed that all sums expended by second party on any permanent improvements to buildings upon said premises by second party during the first two years of this agreement, whether the same is a part of the present plant upon said premises or otherwise, shall be credited upon said sum of Fifty Thousand (\$50,000.00) Dollars provided in the last preceding paragraph to be expended upon permanent improvements by second party.

The party of the second part agrees to carry insurance in first class companies upon said studio and all equipment and property herein agreed to be sold and conveyed, sufficient to fully protect the party of the first part and which shall be in an amount not less than twenty-five (25%) per cent more than what may be the balance of the time of taking said insurance due the party of the first part upon the purchase price herein provided, and in any event the party of the second part shall not be required to take out insurance in excess of \$500,000.00, and to cause the said insurance policies to be assigned to the party of the first part as its interests may appear, and should the party of the second part fail to renew said insurance thirty days prior to the expiration of said policies then the party of the first part may do so and the party of the second part agrees to pay the premium thereupon upon presentation of a bill therefor, and its failure so to do shall constitute a default on its part upon a material and essential provision of this contract.



In the event of either total or partial loss or destruction of said buildings and/or equipment, the party of the second part shall promptly give notice in writing to the party of the first part of such total or partial loss or destruction. The party of the second part shall thereafter, with due dispatch, rebuild and [770] repair the buildings totally destroyed and replace the equipment destroyed and in the event of partial loss or destruction, make such repairs and replacements to said buildings and/or equipment as may be necessary to restore them to their condition prior to such loss or destruction. For the purpose of rebuilding and/or replacing the loss and/or destruction of said buildings and/or equipment or any part thereof, the first party shall place in escrow to pay for the replacement or rebuilding, the total monies collected from the insurance companies by reason of such loss or destruction, and the party of the second part will pay the balance of the cost thereof. The party of the first part shall not be liable to the party of the second part for any damages which the party of the second part may sustain as a result of delays or from any other cause whatsoever caused by either total or partial loss and/or destruction of said buildings or equipment or delays in repairs or replacements. It is understood and agreed, however, that in the event second party shall elect not to rebuild or repair any loss or destruction of the buildings and/or equipment as herein provided and shall elect to pay the unpaid balance of the purchase price of the property herein



described, then first party may retain all sums received as insurance by reason of the loss or destruction of said buildings and equipment and shall credit the same upon the unpaid purchase price thereof. It is further agreed that in the event that the cost of rebuilding, reconstructing, replacing and/or repairing any of the buildings or equipment shall be less than the amount of the insurance received by first party by reason of the loss or destruction thereof, then first party may retain such portion of said insurance money as is not used for the rebuilding, repairing, replacement and reconstruction of said buildings or equipment, and apply the same upon the unpaid balance of the purchase price and such interest as may be due thereon at that time. [771]

In the event of the destruction of the greater part of the buildings and/or equipment upon the premises herein agreed to be conveyed prior to the time of the second party taking possession thereof, then and in that event second party may elect within ten days, thereafter to terminate this agreement and upon receipt by the first party of written notice of such election, this agreement shall thereupon terminate and become null and void and of no effect, and first party agrees to immediately thereafter refund to second party said sum of Ten Thousand (\$10,000.00) Dollars, the first payment on the purchase price hereunder.

It is understood and agreed that the party of the second part, after it shall take possession

of said property, shall pay all State, County, City and Federal taxes and/or assessments thereafter assessed upon or on account of said property or any part thereof.

It is further agreed that during the time that the title to the property, real and personal, which is subject to this party of the second part will not permit any liens, judgments or encumbrances to be placed or remain on said property, or any part thereof, due to any act or omission of the party of the second part. If for any reason a lien is filed upon said property by reason of any act or omission of the party of the second part the party of the second part agrees to immediately inform the party of the first part and on written notice from the party of the first part, to cause said lien to be removed or indemnify first party against the same, and its failure to so do will be a breach of an essential provision of this agreement.

It is further agreed that the party of the second part will take possession of said premises not later than sixty (60) days after the execution of this agreement and that the party of the first part will deliver possession on demand to the party of the second part, subject to rental contracts, providing that the [772] party of the first part has received ten (10) days notice thereof and providing that the party of the second part will have performed all obligations on its part to be performed to that date. Any monies received on account of future

rentals to be adjusted to date of taking possession.

It is further agreed that taxes for the year 1924-25 and insurance now carried on the property will be pro rated as of the date on which the party of the second part shall take possession.

Upon the breach of the party of the second part of any of the above covenants, provisions or agreements, or upon the bankruptcy of, or insolvency of, or upon a general assignment to creditors by the second party, or in the event of the failure of the second party to make any of the said payments when the same shall become due, as aforesaid, the first party may retake possession of said property and equipment, free of all claims whatsoever; and to that end the party of the first part may, without notice to the party of the second part, enter said premises and take possession of said property and equipment, or any of said chattels; and the party of the second part hereby waives any action for trespass, or damage, therefor, and waives any right of resistance thereto; and the party of the first part, in that event, may retain as compensation for the use of said property and equipment and for the depreciation thereto, any sums of money which the party of the second part may have theretofore paid in respect of said property and equipment.

It is understood and agreed that upon the default of the party of the second part to pay any taxes or assessments of any nature whatsoever required to be paid by it under the terms of this

contract or shall default in the taking out or the paying of any premiums of insurance upon said property, as required herein, or [773] shall fail, neglect or refuse to remove any lien or judgment or indemnify first party against same, or other encumbrance caused or permitted by it and not caused by the party of the first part, that the party of the first part may pay said taxes or assessments or insurance premiums or pay such amount as may be necessary to cause said lien to be removed, although it shall not be obligated to do so, and any amount so paid by the party of the first part shall become immediately due and owing to the party of the first part from the party of the second part and a failure or refusal to pay said amount by the second part to the party of the first part shall be a default upon a material and essential provision of this contract.

It is further understood and agreed that the title machine which is a part of the studio equipment of the party of the first part, which is subject to this conveyance, is owned by the Hollywood Laboratories, Inc., and all of the stock of said corporation is owned by the party of the first part, and a transfer by the party of the first part to the party of the second part of such equipment and accessories is to be made by a transfer of the stock of the Hollywood Laboratories, Inc., and further, that any Federal, State, County or Municipal taxes against the Hollywood Laboratories, Inc., or its franchises or property, shall be assumed and paid by the party of the second part during such time



as the title to said corporation stock shall be vested in the party of the first part; and further, it is understood that one of the patents to said title machine is in the name of Charles H. Thimme, who is entitled to receive a royalty upon the product of said laboratory in the amount of one-third ( $1/3$ ) of a cent per foot of film as provided by said royalty agreement.

It is further understood and agreed that all of the property subject to this agreement will be delivered to the party [774] of the second part free and clear of any lien, mortgage or encumbrance, except approximately Six Thousand (\$6,000.00) Dollars due on the purchase of automobiles included in said property and Three Thousand (\$3,000.00) Dollars on account of a chattel mortgage upon machinery known as the Intertype Machine, and that the party of the first part assumes the payment of the balance on account of the said automobiles and the party of the second part assumes the payment on account of the Intertype Machine in the sum of \$3,000.00, and agrees to reimburse the party of the first part of any sums on account of the payment of said \$3,000.00 which it may have made prior to the time of the party of the second part taking possession of said property.

It is further understood and agreed that after the party of the second part, or its assignee, has paid upon the purchase price, as hereinabove set forth, exclusive of any payment of interest there-



upon, the sum of One Hundred and Fifty Thousand (\$150,000.00) Dollars that at its option it, or its assignee, shall receive a deed to said real estate herein referred to, upon its executing a first trust deed upon said property in favor of a trustee selected by the party of the first part for the benefit of the party of the first part as security for its note in such amount as shall remain due upon the said purchase price at that time, and payable on or before January 23rd, 1930, with interest at  $5\frac{1}{2}\%$  per annum, payable semi-annually on the 23rd day of January and the 23rd day of July of each year, provided, however, that the party of the second part has duly performed all obligations on its part to be performed in accordance with this agreement; and further, that at the time of the deeding of said property by the party of the first part to the party of the second part, or its assignee, that the party of the second part, or its assignee, will at that time execute an agreement for conditional sale of the personal property consisting of all the [775] personal property included in the provisions of this agreement and specifically reserving title thereto in the party of the first part and containing all the clauses and provisions of this agreement which will be applicable thereto.

All promises, understandings or agreements of any kind pertaining to this purchase, or to this agreement, not contained herein, are hereby expressly waived; and it is agreed that this instrument

shall constitute the entire agreement between the parties hereto.

It is understood and agreed that time is of the essence of this agreement and in the event of failure to comply with any of the terms or provisions hereof by said party of the second part within the time herein provided, then said party of the first part after such default shall if same has not been cured as hereinafter provided be released from all obligations in law or equity to convey said property and the party of the second part shall forfeit all right thereto and all money theretofore paid under this contract.

In the event that the first party shall claim that the second party is in default in the performance of any of the terms, covenants, provisions or conditions of this agreement to be performed by the second party, then the first party shall notify the second party in writing of the alleged default and the second party shall, within thirty (30) days from the time such notice is given, cure such alleged default, if the same actually exists. Any waiver as to the performance of any act or provision under the terms of this contract shall not be construed as a continuing waiver.

Party of the first part, on receiving the full payment as herein provided, agrees to deliver to said party of the second part, a guarantee of title showing title to said property to be vested in Thos. H. Ince Corporation, free and clear of all encumbrances except such as the party of the second

part may be required to pay under the terms of this agreement and may not have been paid.

It is further agreed that until one half of the purchase price of said property has been paid that the party of the second part will not change the front or appearance of the present adminis- [776] tration building or erect any building or permanent structure in front of the same without the consent of the party of the first part.

First party agrees that it will not make or allow to be made, any lease or rental contract for the use of said premises or any part thereof, or any of the equipment thereof, for a term exceeding sixty (60) days from date hereof and does hereby further represent and warrant that there is no existing lease or rental contract upon said premises or any part thereof, or upon or for any of the equipment thereon, that will not expire by its terms within sixty (60) days from the execution of this agreement.

Time is of the essence of every term, covenant and condition to be done and/or performed by first party and is a condition precedent to the obligation of second party to perform any of the terms, covenants or conditions agreed to be done and performed by second party.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed by their respective Presidents, thereunto duly authorized, and their corporate seals to be affixed, attested by

their Secretaries, the day and year first above written.

[Seal] THOS. H. INCE CORPORATION

[Seal] By ELINOR K. INCE (Signed)

Pres.

Party of the First Part

Attest:

INGLE CARPENTER (Signed)

Secretary

CECIL B. deMILLE

PRODUCTIONS, INC.

By ELLA KING ADAMS, (Signed)

Vice Pres.

Party of the Second Part.

Attest:

J. H. FISHER (Signed)

Secretary [777]

State of California

County of Los Angeles—ss.

On this 23rd day of January, in the year nineteen hundred and twenty-five, A. D., before me, G. C. Burkhart, a Notary Public in and for the said County of Los Angeles, State of California, residing therein, duly commissioned and sworn, personally appeared Elinor K. Ince, known to me to be the President and Ingle Carpenter, known to me to be the Secretary of the Thomas H. Ince Corporation, the Corporation that executed the within instrument, known to me to be the persons who executed the within instrument on behalf of the Corporation therein named and acknowledged to me that such Corporation executed the same.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in said county the day and year in this certificate first above written.

[Seal]                    G. B. BURKHART (Signed)  
Notary Public in and for Los Angeles County,  
State of California. [778]

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### PETITIONER'S EXHIBIT 6.

[Endorsed]: Admitted in evidence Dec. 14, 1933.

### COPY

THIS AGREEMENT MADE AND ENTERED INTO, this 16th day of November 1923, by and between FAMOUS PLAYERS LASKY CORPORATION, a corporation organized and existing under and by virtue of the laws of the State of New York and authorized to transact business in the State of California, party of the first part, hereinafter called the "DISTRIBUTOR", and CECIL B. deMILLE PRODUCTIONS, INC., a corporation organized and existing under and by virtue of the laws of the State of California, hereinafter called the "PRODUCER".

### WITNESSETH:

That the Producer hereby agrees to manufacture and produce not less than three (3) nor more than four (4) motion pictures during each period of two years from the 1st day of January, 1924, each of



which shall be directed by CECIL B. deMILLE PERSONALLY, and to deliver all of the productions so produced and manufactured by the Producer and so directed by the said Cecil B. deMille, to the Distributor, as and when the same are completed.

The Distributor agrees to accept all of the productions so produced and manufactured by the Producer and directed by the said Cecil B. deMille and delivered to it by the Producer, and to cause an adequate number of positive prints of each of said productions to be made.

Each and all of such pictures shall during the course of their production, and at and after their completion, be, and remain the sole property of the Distributor, for the exclusive use of the Distributor in all parts of the world, except however, and with the express reservation to the Producer that none of said productions shall be released in the United States other than through the regular exchanges of the Distributor nor shall they or any of them be distributed elsewhere other than through the regular channels at present employed or which may be hereafter employed for the best productions of the Distributor, nor [779] shall they be sold outright within the United States or by the method referred to as "state rights" within the United States, without the consent of the Producer first having been obtained in writing, provided, however, that said productions may be exhibited by the Distributor or a subsidiary thereof, at its option, in any

locality or localities, instead of licensing others to exhibit the same. It is understood and agreed that all of such pictures shall be marketed separately and not in connection with any other production or picture, and none of the productions to be delivered hereunder shall be used in any way to influence, or to carry the sale of any other production or picture.

The Distributor shall furnish to the Producer, and the Producer shall be entitled to use, as and when it shall desire the use of the same, and at the same rate charged by the Distributor for similar equipment to its own productions, all of the facilities and property of the Distributor, to the full extent that the Producer has heretofore been accustomed or privileged to use the same. The Producer shall at all times, so long as it keeps within the production cost hereinafter specified, have sole and complete charge, without any interference from the Distributor, of the production of the pictures to be made and delivered to the Distributor under the terms hereof. The Distributor shall also furnish to the Producer, without any additional charge therefor, the use of the quarters now occupied by the said CECIL B. deMILLE PRODUCTIONS, INC., and the facilities in connection therewith, all in the studios of the Distributor at 1520 North Vine Street, Hollywood, California, for the use of the executive forces of the Producer. In the event that the studios of the Distributor are moved from their present location, then it is understood and

agreed that the said CECIL B. deMILLE PRODUCTIONS, INC., will be located in the new studios, and that the quarters to be occupied by the said CECIL [780] B. deMILLE PRODUCTIONS, INC., in such new studios, if acquired, shall be at least as adequate as the ones now occupied by the CECIL B. deMILLE PRODUCTIONS, INC.

The Distributor agrees to pay all liabilities and obligations and expenses incurred by the Producer in the manufacture of each and all of the productions to be delivered to the Distributor under the terms hereof, so long as the Producer stays within the production cost herein provided, as and when such liabilities, expenses and obligations are due and payable, including all compensation and liability insurance, and wherever possible, the Distributor shall cause the manufacture of pictures hereunder to be covered by the insurance carried by the Distributor. The negative cost of each of said motion pictures, however, shall not exceed the sum of ONE MILLION DOLLARS (\$1,000,000) exclusive of the weekly advances to the Producer, without the written consent of the Distributor first having been obtained to the expenditure of such excess, it being expressly understood and agreed, that the advances made to the Producer are on account of the percentage of the gross of the Producer, and are not in any way a part of the negative cost, or the cost of the production of said pictures.

In arriving at the negative cost of each picture produced under the terms hereof, the methods of

accounting now used by the Distributor at its Los Angeles studios shall be followed and used, and the amounts other than overhead properly chargeable to the pictures of the Producer shall be taken as of a time midway between the date of the commencement of the photographing of the picture, the cost of which is being computed, and the date of the completion of the photographing of the last picture completed immediately prior thereto, and shall run until midway between the completion of the photographing of said picture and the commencement of the photographing on the suc- [781] ceeding picture. The methods now being used by the Distributor at its California studios, in computing overhead on all pictures, shall be followed in computing overhead on all pictures made by the Producer under the terms hereof, except that as to all pictures made by the Producer, the percentage charged for overhead on the negative cost in excess of FIVE HUNDRED THOUSAND DOLLARS (\$500,000) shall be one-third ( $1/3$ ) of the percentage charged on the first ONE HUNDRED THOUSAND DOLLARS (\$100,000) for each negative.

There shall not be included in any overhead, any cost or charge for the publicity or scenario department of the Distributor, or any overhead on account of any other departments of the Distributor, if the Producer maintains a department for the same purpose, that is to say, it is contemplated that



the Producer will maintain special publicity, scenario and possibly wardrobe departments, and in the event of its so doing, from time to time, no charge for similar departments maintained by the Distributor shall be made against the pictures of the Producer.

All obligations and all expenses incurred, and all expenditures made by the Producer in accordance herewith, shall be incurred or made through the Accounting or other proper departments of the Distributor, except where in the opinion of the Distributor the latter has no department capable of caring for and handling the same. All payments of such expense, obligations and expenditures shall be made in the name of CECIL B. deMILLE PRODUCTIONS, INC., where in the joint judgment of the Distributor and the Producer such method is feasible.

A contract is now in existence between the Distributor and the Producer, which said contract was originally entered into between the Distributor and CECIL B. deMILLE PRODUCTIONS, a copartnership, as of the 16th day of AUGUST, 1920, [782] and which contract was subsequently assigned to CECIL B. deMILLE PRODUCTIONS, INC., the Producer herein named, which said Producer has succeeded to all of the rights therein formerly held by CECIL B. deMILLE PRODUCTIONS, a co-partnership. Said contract is hereby terminated and cancelled and each of the parties



thereto is hereby relieved from any and all liability and obligations of every kind thereunder, it being understood that the obligations to be performed on account of everything that has been done under said contract dated August 16, 1920, will be provided for herein.

It is agreed that the pictures "AFFAIRS OF ANATOLE", "SATURDAY NIGHT", "FOOLS PARADISE", "MANSLAUGHTER", and "ADAM'S RIB" shall be considered as having been produced under said agreement dated as of August 16, 1920, and that the picture "THE TEN COMMANDMENTS" and all pictures hereafter produced during the term of this contract, shall be considered as having been produced under the term of this agreement.

All pictures produced under said agreement of August 16, 1920, shall be exhibited, distributed and publicized in accordance with the terms provided for herein for the exhibition, distribution and publicizing of pictures to be made under the terms of this agreement.

In lieu of the compensation and guarantees provided for in said agreement of August 16, 1920, to be paid to the Producer for and on account of the pictures produced under said agreement of August 16, 1920, the Distributor shall, and promises and agrees to pay to the Producer, twenty per cent (20%) of the gross amounts heretofore or hereafter received by the Distributor, throughout the entire world, from or on account of the distribution, sale

and any other use or disposition of said productions, and of each of them, until the said gross amounts from each such picture, have reached the sum of [783] ONE MILLION DOLLARS (\$1,000,000) and to pay to the Producer, twenty-five per cent (25%) of the gross amounts from each such pictures, over and above the sum of ONE MILLION DOLLARS (\$1,000,000) so received by the Distributor.

“Gross amounts”, “Gross revenue” to the Distributor, from the pictures, or “gross film rental” as used in this contract shall be defined as follows:

1. FOR THE UNITED STATES:

(a) Gross amounts paid by the exhibitors other than those in which Famous Players Lasky have control, for the use of the prints of said pictures.

(b) Percentage of the gross receipts from road showing of any such productions, as hereinafter provided.

(c) Gross amounts paid by theaters where such films are shown, for the use of such prints, in which theaters the Distributor or a subsidiary thereof has control as hereinafter provided.

(d) Gross amounts received by the Distributor from any other use or disposition of said films in the United States.

2. FOR FOREIGN COUNTRIES.

(a) For foreign countries it shall be the amounts paid or credited to Famous Players Lasky Corporation of New York for, or on ac-

count of the use of the prints of said productions in such foreign countries.

this definition to obtain, irrespective of whether Famous Players Lasky Corporation is a minority or majority stockholder in the corporations actually distributing these productions in foreign countries.

For the purpose of computing the percentage to be paid on the amounts received from each picture, whether more or less than ONE MILLION DOLLARS (\$1,000,000) the returns from each picture shall be computed separately.

The Distributor shall, and promises and agrees to pay to the Producer for each and every picture produced under the terms of this agreement, commencing with the picture known as "THE TEN COMMANDMENTS", fifteen (15%) per cent of the gross [784] amounts, up to the sum of ONE MILLION DOLLARS (\$1,000,000) received by the Distributor from or on account of the distribution, sale and any other use or disposition of said pictures and each of them, and shall pay to the Producer twenty-five per cent (25%) of the gross amounts over and above the sum of ONE MILLION DOLLARS (\$1,000,000) so received on account of each and every one of said pictures, provided, however, that each picture produced under the terms hereof, shall, when the same is completed, be classified as either a large or a small picture; said classification shall be made by a committee consisting of one person nominated by the Distributor and one

person nominated by the Producer, and in the event that the two persons so nominated cannot agree upon the classification for said pictures, then they shall select a third person, who shall, upon the making of such selection, become a member of said committee, and the committee then composed of three members, shall by a majority vote, classify such picture as a large or small picture. In the event that the parties are unable to agree upon such third person, or either of the parties fails to select an arbitrator to represent it, within fifteen (15) days from the notice of the appointment of an arbitrator by the other party, then the arbitrator who is not so appointed shall be nominated and appointed by Will H. Hays, President of the Motion Picture Producers and Distributors Association, or his successor in office. The third person so selected shall act only in connection with the picture under consideration at the time he is so selected.

In the event that during any one year period beginning January 1, 1924, the Producer manufactures two or more pictures which shall be classified as small pictures, then the Producer shall be paid on account of each of such small pictures, twenty per cent (20%) of the gross amounts up to ONE MILLION DOLLARS [785] (\$1,000,000) from each such picture, received by the Distributor on account thereof, as hereinbefore described, and twenty-five per cent (25) of the gross amounts in excess of ONE MILLION DOLLARS (\$1,000,000) from each such picture received by the Distributor as hereinbefore described.



The Distributor shall keep true and accurate records and accounts of any and all moneys received and proper charges made from and on account of each and every of the pictures made by the Producer under the terms hereof, and under the terms of said agreement of August 16, 1920, which said records and books shall be open to the inspection and examination of the Producer at any and all times whatsoever.

The Distributor shall, and promises and agrees to pay to the Producer as an advance against the moneys which the Producer shall be entitled to receive on account of the said percentages, the sum of SIXTY SEVEN HUNDRED THIRTY ONE DOLLARS (\$6731.00) on Saturday the 17th day of November, 1923, and \$6731.00 on Saturday of each week thereafter during the period of this agreement, which said moneys so advanced to the Producer, the Producer shall not in any event, or under any conditions, repay, or be required or obliged to repay to the Distributor.

In addition, there shall be credited to the Distributor on account of the amounts to be paid to the Producer as the percentages on the pictures produced under the terms of said agreement of August 16, 1920, and the pictures produced under the terms of this agreement, any and all moneys heretofore or hereafter paid to the Producer as advances or as a part of the profits of any of said pictures produced under the contract of August 16, 1920.

The weekly advances to be made to the Producer, and [786] the moneys heretofore paid the Pro-



ducer, shall not be considered as having been made on account of any particular picture, but shall be made only against any and all amounts which the Producer is or may be hereafter entitled to receive, that is to say, that whereas under the agreement of August 16, 1920, advances were made to the Producer on account of each picture separately, and in the event that the percentages which the Producer was entitled to receive on account of such pictures were not equal to, or greater than the amount of the advances which had been made by the Distributor, nevertheless, the Distributor could not charge the deficiency to any other picture, whereas it is the purpose and intention of this agreement, that any losses which it might be considered that the Distributor has suffered by reason of an excess of advances to the Producer on any one picture, over and above the percentage which the Producer is entitled to receive, may be recouped by the Distributor from the amounts which the Producer will be entitled to receive on account of any one or more of the other pictures, over and above the amount of the advances which it might be considered that the Distributor has paid to the Producer on account thereof, so that while the said Producer shall, during the entire period of this agreement, be entitled to receive, and shall be paid as advances, the sum of \$6731.00 each and every week thereof, nevertheless, the Distributor shall not be required to pay to the Producer any amounts other than said weekly payments of said \$6731.00 each, until the amount which the Pro-

ducer is entitled to receive as its percentage, exceeds the total amount of the weekly advances paid to the Producer under this agreement and under the agreement of August 16, 1920, up to any such time.

In the event that the Distributor itself exhibits said pictures or any of them, in the method commonly referred to and described as "road showing" in any locality or local- [787] ties instead of licensing others (which others may include theaters owned partially or entirely by the Distributor) to so exhibit the same, then for the purpose of computing the percentages which the Producer would be entitled to receive from each such road show, there shall be deducted from the gross amounts received by the theater where such picture is so exhibited by the Distributor, on account of the exhibition of the same, only the weekly expenses of such theater, that is to say, the operating charges of such house shall be computed as such items or charges are customarily computed or made by theater owners or operators in the city where such theater exists, in the conduct of their own business, if they were paying a flat rental charge for the use of said pictures, and there shall not be computed or considered as part of such weekly expenses, any cost or charge for the special exploitation department of the Distributor, assigned to, or working in connection with said picture, or any other overhead costs of any kind. The remainder of the gross receipts of such theater, after deducting the said weekly expenses, shall be considered

film rental received by the Distributor in computing the amount of which the Producer is entitled to a percentage.

Where any or all of said productions are shown in the regular motion picture theaters owned or operated by the Distributor or a subsidiary thereof, which the Distributor controls (other than as a road show) the percentage of the gross receipts which the Distributor shall exact as film rental shall be as large as the percentage or flat rental paid for the best motion pictures which are shown in said theater, and the amounts which said picture shall receive in actual money from said showing, shall be as much as could be obtained for said motion picture if the same were sold to some other theater in said locality, commensurate with good business practices.

The Distributor shall furnish to the Producer each ninety (90) days from the date hereof, a true and accurate state- [788] ment, showing in detail the gross amounts received from or on account of each of the pictures made by the Producer under the terms hereof, and under the terms of said agreement of August 16, 1920, and showing also the amount of any and all advances made to the Producer up to such time, and showing the amount, if any, then due to the Producer on account of the percentages to be paid to it hereunder, or any difference between the advances theretofore made, and the amount to which the Producer is at that date entitled, and it shall accompany such statement with a check for

any amount which shall at such time be due to the Producer.

Reports of the amounts received from each of said productions shall be furnished each week to the Producer at Los Angeles, California, in the same manner that such reports are furnished at the present time, and in addition thereto such reports shall show the amounts, if any, received from each road show company exhibiting such picture.

Each and every of the pictures delivered to the Distributor under the terms hereof shall be advertised and publicized by it to the same extent and in the same general manner as is indicated by the advertising and publicity given to the photoplays delivered to the Distributor by the Producer under the said contract dated August 16, 1920, and marketed by the Distributor, and in all publicity and advertising the name of CECIL B. DeMILLE shall receive such attention and prominence as was given to it in the advertising and publicity of said pictures, and each and every of said pictures shall be announced as a "CECIL B. deMILLE PRODUCTION."

The Producer covenants and agrees that it will produce no motion pictures except those deliverable hereunder, and it further guarantees and agrees that it will not permit the name of CECIL B. deMILLE to be announced as the maker, director or supervisor, or as interested in the production of any motion picture except those deliverable hereunder, and



it [789] represents that it has a contract with the said CECIL B. deMILLE for his exclusive services during the period of this contract.

No motion pictures shall be announced as having been made by CECIL B. deMILLE or by the Producer, within three (3) months after the termination of this contract, nor shall any motion picture made, directed or supervised *by, be* released for a period of four (4) months after the termination of this contract.

Cecil B. deMille shall have supreme authority in the conduct and operation of the California studios of the Distributor subject only at all times to the authority of Mr. Jesse L. Lasky, provided, however, that any authority exercised by Mr. deMille shall, in the judgment of the said Cecil B. deMille, be for the best interests of the Famous Players Lasky Corporation. Mr. deMille shall have supreme authority in all matters pertaining to the production of the pictures to be made by the Producer herein, so long as said pictures are made in compliance with the terms hereof.

All material, property, appliances and equipment of every kind heretofore purchased and used in connection with the production of any of the pictures heretofore made under said agreement of August 16, 1920, including the picture "THE TEN COMMANDMENTS" and down to the date hereof, shall belong to the Distributor, except the properties hereinafter described, and the Producer does hereby

grant, bargain, sell, assign, transfer and set over unto the Distributor, any and all such material, properties, appliances and equipment of every kind, except that the Producer shall retain and own all of the cameras and camera equipment which it now has and which was heretofore purchased for the making of motion pictures delivered under and pursuant to the agreement of August 16, 1920, it being further understood that the Producer shall be entitled, up- [790] on the termination of this agreement, to retain such cameras and camera equipment and any cameras and camera equipment hereafter purchased for the making of motion pictures by the Producer to be delivered under and pursuant to this agreement, both the cameras and equipment now in possession of the Producer and the cameras and equipment hereafter purchased, not to exceed in value the sum of FIFTY THOUSAND DOLLARS (\$50,000.00). The said value shall be established by one person selected by the Producer and one person selected by the Distributor, and in the event that such two persons are unable to agree, then such two persons shall select a third, and the said three persons shall then by a majority vote of the three, fix and determine the value of said cameras and camera equipment so taken and retained by the Producer and in the event that the same is of a value in excess of FIFTY THOUSAND DOLLARS (\$50,000.00) the Producer shall return so much thereof until the amount retained by him is of a value not in excess of FIFTY THOUSAND

DOLLARS (\$50,000) according to an appraisalment fixed by said committee. In the event that the amount of cameras and camera equipment so retained by the Producer is of a value less than FIFTY THOUSAND DOLLARS (\$50,000) according to the appraisalment of said committee, then the Producer shall be entitled to take other and additional cameras and camera equipment until the total amount taken and retained by him is of a value equal to FIFTY THOUSAND DOLLARS (\$50,000) and the Distributor does hereby grant, bargain, sell, assign, transfer and set over unto the Producer all of such cameras and camera equipment either now in the possession of or used by the Producer or that may be hereafter acquired by it, up to and not in excess of a value of FIFTY THOUSAND DOLLARS (\$50,000).

All other cameras and camera equipment over and above the said FIFTY THOUSAND DOLLARS (\$50,000) shall be the property of the Distributor on the termination of this agreement, and all such cameras and camera equipment hereby transferred to the Producer shall be used for the photographing of motion pictures to be de- [791] livered under and pursuant to this contract, without charge to the Distributor, it being understood, however, that repairs to such cameras or camera equipment shall be paid for by the Distributor and considered part of the negative cost of the picture being made at the time of said repairing, and that in addition thereto, any new cameras or camera

equipment purchased for use in the making of the productions to be delivered by the Producer to the Distributor hereunder, may be purchased by the Producer, and the cost thereof charged as part of the negative cost to the picture being produced at the time the same is so purchased. All property other than said cameras and camera equipment hereafter acquired by the Producer in the making of pictures to be delivered to the Distributor hereunder, shall be and remain the property of the Distributor.

This agreement and the respective obligations of the parties hereunder, shall continue and be binding upon the parties hereto until the same is terminated either by operation of law, or in the manner hereinafter set forth, to wit:

Either of the parties hereto may terminate this agreement by giving the other party hereto sixty (60) days notice in writing, of the election of such party to terminate the agreement, and the agreement shall terminate and be of no further force or effect upon the expiration of said sixty days, except to define the rights and obligations of the parties as to anything that has theretofore transpired. The percentages to be paid to the Producer under this contract shall continue to be paid on all pictures produced hereunder, and shall not cease upon the termination of this agreement.

In the event, however, that the Producer is engaged in the making of a picture under the terms hereof, which is uncompleted at the time of the ex-



piration of said sixty days, then the Producer shall, nevertheless, continue the making of [792] said picture until the same is completed, and this contract shall not be terminated until the completion of such motion picture.

In the event that this contract is so terminated by the Producer, then the Producer shall be entitled to, and there shall be transferred to it:

1. The contracts and rights of the Distributor to the services of all of the members of the staff of the Producer, the offices composing which staff are as follows:

Assistant directors and assistants,  
Cameraman and assistants,  
Art director and assistants,  
Scenario writer and assistants,  
Publicity man and assistants,  
Set electrician,  
Property man,  
Grip,  
Set carpenter,  
Wardrobe mistress and designer and draper,  
Production manager,  
Play reader and assistants,  
Prop maker,  
Cutter,  
Man from Pomroy's Dept.

2. Any two actors or actresses whom the Producer has taken for development and whom he is then developing.

In the event that this agreement is terminated by the Distributor, then the Producer shall be entitled

to, and shall have the services of, and there shall be transferred to him;

1. The contracts for the services of the staff of the Producer above described.

2. Any two actors or actresses whom the Producer has taken for development and is then developing.

3. Any two actors or actresses developed under the Producer immediately prior to the ones then being developed, provided, however, that the Producer shall not be entitled to select any actor or actress developed prior to Leatrice Joy and Rod LaRocq for any purposes under this clause, or the preceding or succeeding clauses.

4. In addition thereto, any other actor or ac- [793] tresses who have been developed under the Producer, unless the Distributor desires to keep or retain the services of any of such others, provided for in this sub-division 4, and in the event that the Distributor desires to or does retain the services of any of the said other actors or actresses so provided for in this sub-division 4, unless the Producer does not desire to take such actors or actresses, then it shall be entitled to do so, and the Producer shall not be entitled to take any such others, or to the services of them, but in lieu thereof, the Distributor shall pay to the Producer the sum of FIFTY THOUSAND DOLLARS (\$50,000).

The Distributor shall cause a clause to be inserted in the contracts of each of the parties whom the Producer is or may have the right to take with

it, in the event of the termination of this agreement, as hereinbefore provided, to the effect that their services shall be performed either for the Distributor or for the Producer, provided, however, that it shall not be considered a default on the part of the Distributor if the Distributor is unable to cause such a clause to be inserted in the contracts which are now in effect, without giving additional compensation for such clause to the other parties thereto.

In the event of the death of Cecil B. deMille, or such incapacity as prevents him from completing a motion picture then in production, such picture shall nevertheless be completed and distributed by the Distributor in accordance with all of the terms and provisions hereof, except that the director who shall complete said production in the event of the death of the said Cecil B. deMille or his incapacity as aforesaid, shall be selected by the Distributor and shall first be approved by the Producer, and shall direct said picture under the supervision of the Distributor, and any compensation paid to such director for his services in the completing of said picture shall be recouped by the Distributor in the same way as the weekly advances paid to the Producer [794] hereunder are recouped by the Distributor, and the weekly advances of 6731.00 per week shall cease upon the death or incapacity of Cecil B. deMille as aforesaid.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their

duly authorized officers, and have caused their corporate seals to be affixed hereto, all on the day and year first above written.

FAMOUS PLAYERS LASKY CORPORATION

By /s/ Adolph Zukor, Pres.

[Famous Players-Lasky Corporation Corporate Seal.]

CECIL B. deMILLE PRODUCTIONS, INC.,

By /s/ Cecil B. deMille, Pres. [795]

GUARANTY

WHEREAS, the undersigned, CECIL B. deMILLE is one of the holders of stock in CECIL B. deMILLE PRODUCTIONS, INC., a corporation organized and existing under and by virtue of the laws of the State of California, and

WHEREAS, said CECIL B. deMILLE is interested in and desires to procure the execution by FAMOUS PLAYERS LASKY CORPORATION of a certain contract between FAMOUS PLAYERS LASKY CORPORATION and CECIL B. deMILLE PRODUCTIONS, INC., dated of even date herewith, a copy of which is hereto attached and made a part hereof,

NOW THEREFORE, in consideration of the execution of said contract by the said FAMOUS PLAYERS LASKY CORPORATION and of the sum of ONE DOLLAR by said FAMOUS PLAYERS LASKY CORPORATION to said



CECIL B. deMILLE in hand paid, receipt whereof is hereby acknowledged, the said CECIL B. deMILLE hereby warrants and guarantees to and with the said FAMOUS PLAYERS LASKY CORPORATION that the said CECIL B. deMILLE PRODUCTIONS, INC., a corporation organized and existing under and by virtue of the laws of the State of California, will well and truly complete and perform each and all of the terms and conditions of said contract hereto attached, to be performed by the said CECIL B. deMILLE PRODUCTIONS, INC.

And the said CECIL B. deMILLE does further warrant and guarantee to and with the said FAMOUS PLAYERS LASKY CORPORATION that the said CECIL B. deMILLE will well and truly perform all of the services required of him to be performed for and on behalf of said CECIL B. deMILLE PRODUCTIONS, INC., in order to enable said corporation to fully and completely perform each and all of the terms of said contract hereto attached.

IN WITNESS WHEREOF, I have hereunto affixed my signature this 16th day of November, 1923.

/s/ CECIL B. deMILLE. [796]

Addenda to agreement made between FAMOUS PLAYERS-LASKY CORPORATION and CECIL B. DE MILLE PRODUCTIONS, INC., dated the 16th day of November, 1923.

1. It is hereby agreed and understood that no actor or actress shall be employed by the Producer for more than one picture at a time without the approval of Mr. Lasky.

2. The provisions in said contract, providing for the transfer to Cecil B. deMille Productions, Inc., of actors' and actresses' contracts, in the event of the termination of said contract by either party as therein provided, shall always apply, subject to the conditions therein set forth, to such actors or actresses as may be engaged by the Producer, but where any actor or actress in the stock company of the Distributor is used in a picture by the Producer, the question as to whether such actor or actress shall be considered as being developed by the Producer or not will be covered by a special letter.

Dated: November 16, 1923.

FAMOUS PLAYERS-LASKY CORPORATION,

By /s/ Adolph Zukor, Pres.

[Famous Players-Lasky Corporation Corporate Seal.]

CECIL B. DE MILLE PRODUCTIONS,  
INC.

By /s/ Cecil B. deMille, Pres. [797]

FAMOUS PLAYERS-LASKY CORP.

and

CECIL B. DE MILLE PRODUCTIONS, INC.  
AGREEMENT MADE AND ENTERED INTO  
NOVEMBER 16, 1923. [798]

[Endorsed]: Admitted in evidence Dec. 13, 1936.

PETITIONER'S EXHIBIT NO. 7.

THIS AGREEMENT, made and entered into as of the 16th day of August, 1920, at New York City, by and between FAMOUS PLAYERS-LASKY CORPORATION, a corporation organized under and by virtue of the laws of the State of New York, and authorized to transact business in the State of California, party of the first part, hereinafter called the "Distributor," and CECIL B. DE MILLE PRODUCTIONS, a co-partnership, composed of Cecil B. de Mille, Constance A. de Mille, Ella King Adams, and Neil S. McCarthy, party of the second part, and hereinafter called the "Producer."

WITNESSETH:

THAT WHEREAS, Cecil B. de Mille, one of the partners of the Producer, has heretofore been employed by the Distributor as a director of motion picture productions, and

WHEREAS, the Distributor is desirous of securing for itself motion picture productions which shall be directed by the said Cecil B. de Mille, for the term hereinafter set forth, and

WHEREAS, a co-partnership has been formed for the purpose of producing motion pictures to be directed solely by the said Cecil B. de Mille, which said co-partnership is the Cecil B. de Mille Productions, herein called the Producer, and

WHEREAS, the said Cecil B. de Mille has agreed to direct for said Producer not less than two, (2)

nor more than four (4) motion pictures each year for the period of five (5) years from August 16, 1920, to August 16, 1925.

NOW THEREFORE, IN CONSIDERATION of the premises and of the sum of One Dollar (\$1.00) by each of the parties hereto to the other in hand paid, the receipt whereof is hereby acknowledged, and of the mutual covenants and agreements herein set forth, the parties hereto do hereby agree as follows:

FIRST: The Producer agrees to manufacture and produce not less than two (2) nor more than four (4) motion pictures each year for the term of this agreement, each of which shall be directed by Cecil B. de Mille, personally, and to deliver all of [799] the productions so directed by the said Cecil B. de Mille for the Producer during said period, to the Distributor as and when the same are completed. Each and all such pictures shall, during the course of their production, and at and after their completion, be and remain the property of the Distributor for the exclusive use of the Distributor in all parts of the world.

SECOND: The Distributor agrees to accept all the productions so directed by the said Cecil B. de Mille and delivered to it by the Producer, and to cause the number of positive prints of each of said productions which the Distributor deems adequate to be made from time to time, and to distribute the same for exhibition throughout the entire world.

THIRD: The Distributor shall furnish to the Producer, and the Producer shall be entitled to use



as and when it shall desire the use of the same and at the actual cost to the Distributor thereof, all of the facilities and property of the Distributor to the full extent that the said Cecil B. de Mille has heretofore been accustomed or privileged to use the same while in the employ of the Distributor, subject to the approval of Mr. Lasky or his successor in office. The Producer shall at all times, so long as it keeps within the production cost hereinafter specified, have sole and complete charge, without any interference from the Distributor, of the production of the pictures to be made and delivered to the Distributor under the terms hereof. The Distributor shall also furnish to the Producer, without any additional charge therefor, the use of the quarters now occupied by the said Cecil B. de Mille and the facilities in connection therewith, and two offices all in the studios of the Distributor at 1520 North Vine Street, Hollywood, California, for the use of the executive forces of the Producer.

**FOURTH:** The Distributor agrees to pay all liabilities and obligations by the Producer incurred in the manufacture of each and all of the productions to be delivered to the Distributor under the terms hereof, as and when such liabilities, expenditures and ob- [800] ligations are due and payable, including all compensation and liability insurance, and wherever possible the Distributor shall cause the manufacture of pictures hereunder to be covered by the insurance carried by the Distributor. The cost of the production of each of said motion pic-

tures, however, shall not exceed the sum of Two Hundred and Ninety Thousand Dollars (\$290,000), inclusive of the weekly advances to the Producer, without the consent of the Distributor first having been obtained to the expenditure of such excess.

FIFTH: All obligations and all expenses incurred and all expenditures made by the Producer in accordance herewith shall be incurred or made through the Accounting or other proper departments of the Distributor except where in the opinion of the Distributor, the latter has no department capable of caring for and handling the same. All payments of such expense, obligations, and expenditures shall be made in the name of Cecil B. de Mille Productions, where in the judgment of the Comptroller of the Distributor such method is feasible.

SIXTH: The Distributor agrees to pay to the Producer quarterly, thirty per cent (30%) of the net profits realized by the Distributor throughout the entire world from rentals from Exhibitors or sales of State Rights or any other use or disposition of the same, for each of said productions, and the Distributor shall advance and pay to the Producer on account of said thirty per cent (30%) of the net profits, each week during the term of this agreement, the following sums, which the Producer shall not under any conditions be obliged to repay to the Distributor, except that the same shall be charged against the thirty per cent (30%) of said net profits to be paid to the Producer. The first of said weekly payments shall be made August 21, 1920. Said payments shall be made as follows:

Thirty-five Hundred Dollars (\$3500) per week for the first four (4) weeks of the term hereof;

Forty-five Hundred Dollars (\$4500) per week for the next four (4) weeks of the term hereof; [801]

Fifty-five Hundred Dollars (\$5500) per week for the next four weeks (4) of the term hereof;

Sixty-five Hundred Dollars (\$6500) per week for the remainder of the term of this agreement.

PROVIDED, however, that in the event that studio work of the Distributor at Los Angeles, California, is suspended by reason of strikes, governmental regulations, or other causes beyond its control, the Distributor shall be required to advance to the Producer during the period of such suspension only, the sum of Two Thousand Dollars (\$2,000) weekly. The period or periods during which such work is so suspended shall be added to the term of this agreement, and the term of this agreement shall be extended for such added period; PROVIDED FURTHER, that work shall not be so suspended by reason of such causes all together in excess of three (3) months in any one year.

SEVENTH: Each of the productions delivered to the Distributor under the terms hereof shall be marketed separately and not in connection with any other production or picture, and none of the productions to be delivered hereunder shall be used in any way to influence or to carry the sale of any other production or picture. None of said produc-

tions shall be released in the United States other than through the regular exchanges of the Distributor nor shall they or any of them be distributed elsewhere other than through the regular channels at present employed, or which may be hereafter employed for our best productions, nor shall they be sold outright within the United States, or by the method referred to as State Rights within the United States, without the consent of the Producer first having been obtained.

EIGHTH: The firm of Price, Waterhouse and Company, Certified Public Accountants, shall audit quarterly, the books and accounts of the Distributor with reference to the productions to be delivered to the Distributor under the terms hereof, both as to the cost hereof, and as to the receipts obtained from the [802] marketing of each of said productions, and the detailed report of said audit shall be furnished to the Producer, with a certificate of the amount, if any, due at such time to the Producer, and any monies or sums shown by said report to be due to the Producer shall at such time be paid to the latter by the Distributor. The audit of the said Price, Waterhouse and Company shall be final and binding as to the contents of said books and accounts on each of the parties hereto. Reports of the bookings of each of said productions shall be furnished each week to the Producer in Los Angeles, California, by the Distributor.

NINTH: Each and every of the pictures delivered to the Distributor under the terms hereof



shall be advertised and publicized by it to the same extent and in the same general manner as is indicated by the advertising and publicity given to the photoplay entitled, "Male and Female," directed by Cecil B. deMille and marketed by the distributor, and in all publicity and advertising the name of the said Cecil B. de Mille shall receive such attention and prominence as was given to it in the advertising and publicity of "Male and Female," and each and every of the said pictures shall be announced as a "Cecil B. de Mille Production."

TENTH: In the event that at the time when this contract would otherwise expire by lapse of time, a picture is then in course of production by the Producer and unfinished, the Producer shall nevertheless complete said picture and deliver the same to the Distributor, and the said picture shall in all things be governed and controlled by the terms of this agreement as though completed within the fixed term hereof.

ELEVENTH: The net profits from each of said productions shall be determined as follows:

Each quarter from the gross income received by the Distributor from film rentals of each such production in the United States or Canada, or from film rentals, or sales of State Rights in other countries, or any other use or disposition of the same, there shall be deducted, the cost of sales and distribution, the cost of negative, prints, publicity and advertising, overhead and federal [803] and other taxes; the residue shall constitute the net profit.

TWELFTH: It is the expectation of this agreement that the Producer shall receive an average minimum within twenty-four (24) months of Two Hundred Thousand Dollars (\$200,000.00) as its thirty per cent (30%) of the net profits on each picture. In the event that at any time the Producer has not received in percentages or advances Two Hundred Thousand Dollars (\$200,000) multiplied by the number of motion pictures delivered hereunder which have been at that time released twenty-four months, then at that time (subject to the limitations hereinafter in this paragraph contained) the Distributor shall credit or advance as may be proper, to the Producer, a sum sufficient to equal an average of \$200,000., multiplied by the number of pictures that have been released two years at that date. As each additional picture has been released twenty-four months, a similar adjustment, if necessary, shall be made.

It is agreed, however, that at no time shall the Distributor be obliged to credit or pay to the Producer any sum which would make the total advances, credits and payments to the Producer exceed one Hundred per cent (100%) of the net profits on all productions at the time of such adjustment; nor shall the Distributor be obliged to credit or pay any sum which would make the total advances credits and payments exceed \$200,000 per production, multiplied by the number of productions which have been released two years at that date.

THIRTEENTH: The party of the second part covenants and agrees that it will produce no motion pictures except those deliverable hereunder, nor will it engage in any other business than the making of pictures to be delivered pursuant to this contract. It further guarantees and agrees that it will not permit the name of Cecil B. de Mille to be announced as the maker, director or supervisor, or as interested in the production of any motion picture except those deliverable hereunder, and it represents that it has a contract with said Cecil B. de Mille for his exclusive services during the period of this contract. [804]

FOURTEENTH: No motion pictures shall be announced as made by Cecil B. de Mille or by the party of the second part within three (3) months after the termination of this contract, nor shall any motion picture made, directed or supervised by or in which the party of the second part or Cecil B. de Mille individually is interested be released for a period of six (6) months after the termination of this contract.

FIFTEENTH: The party of the second part hereby consents and agrees that if not previously paid, the party of the first part may deduct the sum of One Thousand Dollars (\$1,000) each week beginning the 21st day of August, 1924, from the advances herein agreed to be made weekly, and shall in addition thereto deduct the amount of interest each week on any unpaid portion of the sum of Fifty Thousand Dollars (\$50,000), owing by Cecil

B. de Mille to said Distributor, together with interest thereon at the rate provided for in the note now existing and executed in favor of the party of the first part by said Cecil B. de Mille, to evidence said loan of \$50,000.

SIXTEENTH: The term of this agreement shall commence on the 16th day of August, 1920, and shall extend for a period of five (5) years, to wit: to and including the 15th day of August, 1925.

IN WITNESS WHEREOF, the parties have hereto affixed their hands and seals the day and year first above written.

FAMOUS PLAYERS-LASKY CORPORATION,

[Seal]

By (Sgd) Jesse L. Lasky,  
1st Vice Pres.

CECIL B. DE MILLE PRODUCTIONS,

By (Sgd) Constance A. DeMille,  
Ella King Adams,  
Cecil B. DeMille,  
Neil S. McCarthy. [805]

New York, N. Y.

February 19, 1921.

At the request of deMille Productions, the following procedure is outlined for the handling of weekly expenditures, in the making by deMille Productions of motion pictures for Famous Players-Lasky Corporation pursuant to existing contract.

The western studio will continue as heretofore to pay for the various expenditure, both labor and



material, and will notify the deMille Productions of such amount weekly. For this amount, the deMille Productions will reimburse the studio by their check. Simultaneously with the giving of the check, the deMille Productions will deposit a draft on the Famous Players-Lasky Corporation of New York with the Commercial National Bank of Los Angeles, wiring the comptroller of the amount.

The Famous Players-Lasky Corporation will deposit a certified check with the Hanover National Bank of New York for the credit of the Commercial National Bank of Los Angeles account of deMille Productions, with instructions to wire the Commercial National Bank by collect message. The Commercial National Bank will then mail the paid draft to the Famous Players-Lasky Corporation of New York. It is understood that changes may be made in the banks of the direction of the Producer.

It is understood and agreed that nothing in the above procedure or in any accounting entries that may arise out of it, will in any way change or modify the existing agreement, that the pictures made by the deMille Productions are to remain, at all times, whether in process or finished, the property of the Famous Players-Lasky Corporation.

It is also distinctly understood and agreed that the procedure outlined above covers only the direct charges made at the Studio, including studio overhead, and does not include the Home Office overhead and the other expenses outlined in the contract,

such as cost of sales and distribution, prints, publicity, advertising, Federal and other taxes.

Famous Players-Lasky Corporation,  
(Signed) Emil E. Shauer,  
Asst. Treas.

Cecil B. deMille Productions,  
(Signed) Neil S. McCarthy,  
Neil S. McCarthy.

Nov. 17, 1920.

Mr. Cecil B. DeMille:

The following gentlemen were present at the conference held in your office today between the hours of 4:30 and 7:30 P. M.:

Mr. Jesse L. Lasky,  
Mr. Frank A. Garbutt,  
Mr. Cecil B. de Mille,  
Mr. John H. Fisher.

The matter under discussion involved the interpretation of certain clauses of the contract, dated August 12, 1920, between Cecil B. deMille Productions and the Famous Players-Lasky Corporation, and the formulating of instructions to the book-keeping department.

The decisions reached were as follows:

(1) All materials, gowns, props, etc., now in what is known as the De Mille Wardrobe Department, are to be carried on the books of the Lasky Company in a so-called Stock Account, and no rental for these shall be charged to the Cecil B. De Mille Productions.

(2) All gowns, props, etc., which are now made up ready for use may be used by the De Mille Productions without charge. All new materials which are later made up into gowns, props, etc., are to be charged to the De Mille Productions at actual cost. When gowns, props, etc., are once used and charged to the De Mille Productions, they may be used in future productions without charge unless re-made; in which event, the cost of re-making, plus the amount paid for any new materials used, shall constitute the charge.

(3) Any purchases made for this Department for the De Mille Productions, during the life of the contract, are to be [806] charged to this Stock Account, and are to be charged to a De Mille Production only when issued to and received by the Cecil B. De Mille Productions, and shall be returned to the De Mille Wardrobe Department, unless destroyed, and no charge shall be made to the Cecil B. De Mille Productions for the use of the same thereafter. They shall be sold or rented only by Cecil B. De Mille Productions, who shall have the complete authority to designate the times, persons and occasions to whom or on which the same shall be sold or rented, and shall also have the authority to fix the prices for such sales or rentals, provided that it shall give one week's notice of such proposed sale or rental to the Famous Players-Lasky Corporation, and if it should be dissatisfied with the price of either the sale or rental thereof, it may rent the same for the same period of time, at the same

figure, and in the event of it being dissatisfied at the price at which the Cecil B. De Mille Productions elects to dispose of the same, it shall have the right to purchase such articles at the same price. The monies obtained from the sale or rental of any such articles shall be credited to the picture then in course of production or to the next succeeding picture.

(4) At the expiration of the contract, the Wardrobe is to be left as nearly as will be practicable in the same condition as that now existing as to quantity and quality of new materials, gowns, props, etc. however, if it is destroyed by fire, it shall be replaced out of the insurance money as needed.

(5) When artists are required for the De Mille Productions, Mr. De Mille shall indicate what artists he needs, and if they are not in stock they are to be selected by Mr. De Mille and engaged by the Famous Players-Lasky Company. When not in use in the De Mille Productions, the artists are to go into the [807] Lasky stock and Lasky can use them when they are not required for the De Mille Productions, excepting individual artists whom Mr. De Mille wishes to hold for his pictures exclusively. When not in use in Mr. De Mille's pictures, they shall be charged to the Lasky overhead, nevertheless.

The above conditions are as agreed at our joint conference.

(signed) Cecil B. deMille

(signed) Jesse L. Lasky [808]



U. S. INTERNAL REVENUE  
 (Contributor's Name)

# INDIVIDUAL INCOME TAX RETURN

FOR NET INCOMES OF MORE THAN \$5,000  
 OR NET INCOMES, REGARDLESS OF AMOUNT, IF DEDUCTED FROM A PROVISION OR INCOME, INCLUDING FARMING

## For Calendar Year 1924

Do Not Write in These Spaces

92  
 30463

If Tax Income is Computed on a Fiscal Year Basis, or Income is Received from a Partnership or Other Person or Entity as a Fiscal Year Basis, Item Should Be Entered from the Calendar and Fiscal Year of the Partnership or Other Person or Entity

File This Return with the Collector of Internal Revenue for Your District on or Before March 15, 1925  
 (Country Name and Address Plainly Stated)

Coecil B. de Mille  
 (Name)  
 DeMille Studio  
 (Street and number, or rural route)  
 Culver City, California  
 (Post Office)  
 (County)  
 Los Angeles, California  
 (State)

Print Name  
 92  
 30463  
 By  
 (Contributor's Signature)

Cash, Checks, M. O., Cert. of Ind.

OCCUPATION, PROFESSION, OR KIND OF BUSINESS Motion Picture Producer

- Are you the full-time or resident? **Yes**
- If you filed a return for 1923, to what Collector's office was it sent? **Los Angeles**
- If both were you on the last day of your taxable year supporting one or more persons living in your household who are closely related to you by blood, marriage, or adoption? **No**
- If your status is exempt to questions 4 and 5 changed during year. **No change**

INCOME	Amount received (Include in full)	Excesses
Salaries, Wages, Commissions, etc. (State name and address of person from whom received) Coecil B. de Mille Productions, Inc.	\$ 78,000.00	\$ 4,733.47
Income from Business or Profession. (Form Schedule A)		73,266.53
Interest on Bank Deposits, Corporation Bonds, etc. (except interest upon which a tax was paid at source)		3,561.58
Income from Partnerships, Fiduciaries, etc. (State name and address of partnership, etc.)		

Depreciation restored on fixtures taken as a deduction in 1923  
 \$27,115.00  
 27,115

DEDUCTIONS	Amount
Profits from Sale of Real Estate, Stocks, Bonds, etc. (Form Schedule O)	\$ 4,275.62
Dividends on Stock of Domestic Corporations. See Schedule attached	1,763.09
Losses from Sale of Real Estate, Stocks, Bonds, etc. (Form Schedule O)	
Losses from Stock of Domestic Corporations. See Schedule attached	704.63
Bad Debts. (Specify in Schedule F)	257.88
Contributions. (Specify in Schedule F)	
Other Deductions Authorized by Law. (Specify below or on separate sheet)	1,394.35
"Track Team" See schedule attached	7,139.22
"Speed Boat" See schedule attached	7,463.61
Depreciation. See schedule attached	
Total Deductions in Items 1 to 9	49,452.61

POSTINGS  
 APR 16  
 DATE

### COMPUTATION OF TAX

Excess Income (see Instruction 19)	\$ 10,000	30. Net Income (Item 18 above)	\$ 25,294.22	41. Normal Tax (9% of Item 37)	\$ 2,276.48
Less Personal Exemption and Credit for Dependents	3,100	31. Less Dividends (Item 7 above)	2,541.60	42. Normal Tax (6% of Item 39)	1,600
Balance (Item 18 minus 20)	6,900	32. Interest on Liberty Bonds, etc. (Item 6)		43. Normal Tax (4% of Item 40)	639.36
Amount taxable at 2% (not over the first \$4,000 of Item 21)	4,000	33. Personal Exemption	1,500	44. Surtax on Items 40 (see Instruction 30)	530.60
Amount taxable at 4% (not over the second \$4,000 of Item 21)	2,900	34. Credit for Dependents	1,600	45. Adjustment for Capital Gain or Loss (19% of Column 9, Schedule D)	
Balance over \$4,000 of Item 21		35. Total of Items 31, 32, 33, and 34	5,641.60	46. Total of Items 41 to 45	1,469.76
Normal Tax (9% of Item 23)	90	36. Balance (Item 30 minus 35)	19,652.62	47. Less Credit of 25% of Tax on Excess Net Income (Item 29)	491.00
Normal Tax (4% of Item 23)	116	37. Amount of the first \$4,000 of Item 30	4,000.00	48. Total Tax (Item 46 minus 47)	1,420.76
Normal Tax (6% of Item 24, Income from Sale of Real Estate, Stocks, Bonds, etc.)	135	38. Balance (Item 30 minus 37)	15,652.62	49. Less Income Tax paid at source	
Total of Items 25, 26, and 27)	49	39. Amount the second \$4,000 of Item 30 over over \$4,000 of Item 30	4,000.00	50. Income and Profit Tax paid to a partnership or other person	
Credit of 25% of Item 28 (not to exceed 25% of Items 41, 42, and 43)		40. Amount taxable at 6% (balance over \$8,000 of Item 30)	11,652.62	51. Balance of Tax (Item 48 minus Items 49 and 50)	1,420.76

An amended return must be marked "Amended" at top of return

Checks and drafts will be accepted only if payable at par

COPIED



SCHEDULE A—INCOME FROM BUSINESS OR PROFESSION (See Instruction 2)

[Not filled out.]

SCHEDULE B—INCOME FROM RENTS AND ROYALTIES (See Instruction 5)

1. Kind of Property	2. Amount Received	3. Cost	4. Value as of March 1, 1913	5. Depreciation (Explain in table at foot of page)	6. Repairs	7. Other Expenses (Itemize below)	8. Net Income (Enter as item 5)
2338 Obsrv. Frame Dwelling	\$ 719.65	\$23,245.03	\$ —	\$862.94	\$199.12	\$ —	\$ ( 342.41)
3026 Argyle “	2,400.00	10,581.58	—	279.08	361.95	—	1,758.97
Franklin “	340.00	7,119.41	—	255.97	42.80	—	41.23
Highland “	1,939.67	9,499.99	—	393.75	—	917.42	628.50

Explanation of deductions claimed in Column 7—Interest \$508.42, Taxes \$202.43, Insurance \$190.00, Sunday Exp. \$16.57—Total, \$2,086.29.

SCHEDULE C—PROFIT FROM SALE OF REAL ESTATE, STOCKS, BONDS, ETC. (See Instruction 6)

See attached schedule.

SCHEDULE D—CAPITAL NET GAIN OR LOSS FROM SALE OF ASSETS HELD MORE THAN TWO YEARS (See Instruction 6a)

[Not filled out.]

SCHEDULE E—INTEREST ON LIBERTY BONDS AND OTHER OBLIGATIONS OR SECURITIES (See Instruction 8)

1. Obligations or Securities	2. Interest Received or Accrued	3. Amount Owned	4. Principal Amount Exempt From Taxation	5. Amount Owned in Excess of Exemptions	6. Interest on Amount in Excess of Exemptions (Enter as Item 8)
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia.....	\$ .....	\$ .....	All	XXXXXX	XXXXXX
(b) Securities issued under Federal Farm Loan Act, or under such Act as amended.....	.....	.....	All	XXXXXX	XXXXXX
(c) Liberty 3½% Bonds and other obligations of United States issued before Sept. 1, 1917, and obligations of possessions of the United States.....	.....	.....	All	XXXXXX	XXXXXX
(d) Liberty 4% and 4¼% Bonds, Treasury 4¼% Bonds, Treasury Certificates, and Treasury (War) Savings Certificates .....	81.77	3,450.00	\$5,000	\$ .....	\$ .....
(e) Liberty 4% and 4¼% Bonds.....	.....	.....	\$50,000	.....	.....
(f) Treasury Notes .....	.....	.....	None	.....	.....



EXPLANATION OF DEDUCTION FOR LOSSES BY FIRE, STORM, ETC., CLAIMED IN SCHEDULE A, AND IN ITEM 13

None.

EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES A AND B

See schedule attached.

SCHEDULE F—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 1, 12, 14, AND 15

Item 12, Taxes, State, County and City taxes on first 3 items Schedule "B". Personal property tax on furniture and fixtures and state auto licenses. Income Tax not included.

AFFIDAVIT

I swear (or affirm) that this return, including the accompanying schedules and statements (if any), has been examined by me, and, to the best of my knowledge and belief, is a true and complete return made in good faith for the taxable year as stated, pursuant to the Revenue Act of 1924 and the Regulations issued under authority thereof.

Sworn to and subscribed before me this 15th day of April, 1925.

CECIL B. DE MILLE.

(Seal) J. F. DAWSON, Notary Public.

My commission expires May 8, 1927. [810]

[Facsimile Postal Telegraph Co. Telegram Blank]

COPY

Washington DC March 13, 25

Mr. John H. Fisher  
DeMille Studios  
Culver City, Calif.

Extension April fifteen granted complete return of Cecil B. De Mille Constance A. De Mille and Cecil B. De Mille Productions, Inc. calendar year 1924 provided tentative terms filed showing only name and address and estimated tax and payment made one-fourth tax by March seventeen any deficiency first installment will bear interest six percent per annum from original due date attach copy this telegram tentative and completed returns by direction Commissioner.

F. G. BRIGHT

Deputy Commissioner [811]

## SCHEDULE "F"

## Business Expense.

Traveling Expense .....	\$ 134.70	
Chauffeur Business Car.....	2,427.20	
Business entertainment, dues & Subse.....	534.55	
Repairs to Projecting Equip. etc.....	87.75	
Legal Fees .....	390.26	
Cleaning .....	37.75	
Two business cars, repairs, tires, etc.....	1,211.32	
Telephone and Telegraph.....	48.75	
Auditing and accounting .....	177.50	
Stationery, postage, etc.....	6.50	
Chef and kitchen supplies.....	503.27	
Studio expense .....	136.97	
Rent of studio.....	1,215.00	
Research services .....	105.00	
Publicity .....	165.00	
Assistant's salary .....	1,057.00	
Theatrical expense .....	22.00	
Insurance, cars & equip.....	280.54	
Business Managers' salary & Exp.....	3,374.45	
Commissions .....	11.40	
		\$11,926.91
Less—Attorney Fees charged in 1923		
recovered in 1924.....		7,193.44
		\$ 4,733.47
Net business expense.....		

Note: This expense attaches to the maintenance of the offices of tax payee with the necessary business staff, official cars, messengers, etc.

[813]

## SCHEDULE

## Interest on Municipal Securities

City of Tucson	\$ 50.00
Little Rock Irrigation Dis.	120.00
Palmdale " "	120.00
Salt Lake Terminal	90.00
Town of Chandler	3.00
<hr/>	
Total non-taxable	\$383.00

[814]

## SCHEDULE "C"

## Sale of "Play Rights"

	Name of Play	Date Acquired	Amt. Recd.	Cost	By Bequest	Profit or Loss
1/6	"Wife"	1892—	\$1,226.54	.....	\$10,000.00	\$8,773.46
1/6	"Wife"	1920	1,226.54	\$2,541.62	.....	1,315.08
1/6	"Charity Ball"	1892—	1,226.54	.....	10,000.00	8,773.46
1/6	"Charity Ball"	1920	1,226.54	2,541.61	.....	1,315.07
1/6	"Lord Chumley"	1892—	1,144.20	.....	10,000.00	8,855.80
1/6	"Lord Chumley"	1920	1,144.21	2,541.61	.....	1,397.40
1/6	"Men & Women"	1892—	2,144.21	.....	10,000.00	7,855.79
1/6	"Men & Women"	1920	2,144.20	2,541.61	.....	397.41
			<hr/>	<hr/>	<hr/>	<hr/>
			\$11,482.98	10,166.45	40,000.00	\$38,683.47

Loss

A 1/6 interest in each of the above plays was acquired through inheritance in 1892 through the death of the father, whose residence was in New Jersey. These plays were being "staged" at that time and their popularity was told by the Royalties received which justified the inheritance appraisal of \$60,000.00 for each, or \$10,000.00 for the 1/6 interest.

The other 1/6 was purchased from a brother for a cash down payment of \$1,922.30 and a contract in the fulfillment of which he paid \$3,244.15, or a total cost of the brother's interest in the four plays of \$10,166.45, or \$2,541.61 each.

[815]



## SCHEDULE

(Item 7)

## Dividends

Bank of America	\$ 7.50
Americommercial	10.50
Bank of Italy	85.00
Bancitaly	19.60
Commercial Nat. Bk.	132.00
C. B. de Mille Prod. Co.	2,200.00
Central Investment Co.	7.00
Famous Players-Lasky	80.00
	<hr/>
	\$2,541.60
Liquidating Dividends.	
Los Angeles Speedway Co.	\$4,050.00
	[816]

## SCHEDULE

(Item 14)

## Bad Debts.

Charlotte Carter	\$ 312.50
Georgia K. de Vore	75.00
S. Fairbanks	5.00
Ted Lowe	30.00
Bessie McGaffey	350.00
Adelaide Murray	100.00
Cora Spoor	1,741.52
	<hr/>
	2,614.02
Less recovery on accounts written off in 1923. Mercury Corporation	1,909.39
	<hr/>
Net	\$ 704.63
	[817]

## SCHEDULE

## Deductible Donations.

American Com. for Relief of German Children	\$ 18.00
Boy Scouts	25.00
Mooseheart Training School	25.00
Disabled War Veterans	22.00
Author's League of America	2.00
Masonic Hospital	5.00
Southern California Sector Society	5.00
Escadrille Lafayette Memorial Assn.	10.00
Studio Club—Charitable	25.88
National Conference of Outdoor Recreation	100.00
Shriners—Charitable	5.00
Masonic Hall & Asylum	5.00
Los Angeles Record's Xmas Fund for poor	10.00
World Flyers	100.00
	<hr/>
Total	\$357.88
	[818]

## SCHEDULE

## "Black Team" Expense

Five months board, veterinary, black-smithing, etc.	\$1,334.35
Entrance fee at horse shows	60.00
	<hr/>
	\$1,394.35

No claim for remaining seven months. This team was used in the production of the film "Ten Commandments" and then exhibited at various shows for publicity purposes. [819]

## SCHEDULE

## "Speed Boat" Expense

Repairs, labor, material, etc.	\$5,845.74
Wages	242.25
Use of Hydroplane	160.00
Depreciation	1,001.23
	<hr/>
	\$7,249.22
Less 1923 entrance fee refunded	50.00
	<hr/>
	\$7,199.22

This boat, the "Defiance" is not a pleasure boat. It was built for use in motion pictures and used in the production of the films "Ten Commandments" and the picture "Triumph", for a fixed rental reported as income and also was used for publicity purposes. [820]





# INDIVIDUAL INCOME TAX RETURN

FOR NET INCOMES OF MORE THAN \$5,000  
OR NET INCOME, REGARDLESS OF AMOUNT, IF DERIVED FROM A PROFESSION OR BUSINESS, INCLUDING FARMING  
For Calendar Year 1924

If Your Income is Computed on a Fiscal Year Basis, or Income is Received from a Partnership or Partnership Computed on a Fiscal Year Basis, Form 1040<sup>1</sup> Should be Secured from the Collector and Filled in Line of This Form

File This Return with the Collector of Internal Revenue for Your District on or Before March 15, 1925  
(PRINT NAME AND ADDRESS PLAINLY BELOW)

Geoff. B. de Mille (Name)  
de Mille Studio (Occupation)  
Sulver City, Cal. (Post office)

1661 (Block)

Do Not Write in These Spaces  
FILED  
APR 18 1925  
RECEIVED WITH REMITTANCE  
MAR 10 1925  
COLLECTOR OF INT. REV.  
6th DISTRICT OF CAL.  
M. R.  
Cuth. Chubb, M. O. Com. of Ind.

OCCUPATION, PROFESSION, OR KIND OF BUSINESS

- Are you a citizen or resident of the United States?  Yes  No
- If you filed a return for 1923, to what Collector's office was it sent?  Same  Other
- Were you married and living with husband or wife on the last day of your taxable year?  Yes  No
- If your status in respect to questions 2 and 3 is the same as in 1923, check the appropriate date of such change:  Same  Other

INCOME

1. Salaries, Wages, Commissions, etc. (State name and address of person from whom received) \$

- Income from Business or Profession. (From Schedule A)
- Interest on Bank Deposits, Corporation Bonds, etc. (except interest upon which a tax was paid at source)
- (a) Interest on Tax-free Covenant Bonds Upon Which a Tax was Paid at Source
- Income from Partnerships, Fiduciaries, etc. (State name and address of partnership, etc.)

- Rents and Royalties. (From Schedule B)
- Profit from Sale of Real Estate, Stocks, Bonds, etc. (From Schedule C)
- Dividends on Stock of Domestic Corporations
- Taxable Interest on Liberty Bonds, etc. (From Schedule D)
- Other Income (including dividends received on stock of foreign corporations). (State nature of income)

DEDUCTIONS

- Interest Paid
- Taxes Paid. (Explain in Schedule F)
- Losses by Fire, Storm, etc. (Explain in Table on page 2)
- Real Estate. (Explain in Schedule F)
- Contributions. (Explain in Schedule F)
- Other Deductions Authorized by Law. (Explain below or on separate sheet)

17. Total Deductions in Items 11 to 16.  
18. Net Income (Item 10 minus Item 17)

COMPUTATION OF TAX

19. Earned Income (see Instruction 19)	30. Net Income (Item 18 above)	41. Normal Tax (2% of Item 37)
20. Less Personal Exemption and Credit for Dependents	31. Less Dividends (Item 7 above)	42. Normal Tax (4% of Item 38)
21. Balance (Item 19 minus 20)	32. Interest on Liberty Bonds, etc. (Item 6)	43. Normal Tax (6% of Item 40)
22. Amount taxable at 2% (not over the first \$4,000 of Item 21)	33. Personal Exemption	44. Surtax on Item 18 (see Instruction 30)
23. Amount taxable at 4% (not over over \$8,000 of Item 21)	34. Credit for Dependents	45. Adjustment for Capital Gain or Loss (100% of Column 9, Schedule D)
24. Amount taxable at 6% (balance over \$8,000 of Item 21)	35. Total of Items 31, 32, 33, and 34	46. Total of Items 41 to 45
25. Normal Tax (2% of Item 27)	36. Amount taxable at 2% (not over the first \$4,000 of Item 36)	47. Less Credit of 25% of Tax on Earned Income (Item 29)
26. Normal Tax (4% of Item 28)	37. Amount taxable at 4% (not over the second \$4,000 of Item 36)	48. Total Tax (Item 46 minus 47)
27. Normal Tax (6% of Item 29)	38. Balance (Item 36 minus 35)	49. Less Income Tax paid at source
28. Total of Items 25, 26, and 27	39. Amount taxable at 6% (not over over \$8,000 of Item 36)	50. Income and Foreign Tax paid to a foreign country or U.S. possession
29. Credit of 25% of Item 28 (not to exceed 25% of Items 41, 42, and 43)	40. Amount taxable at 6% (balance over \$8,000 of Item 36)	51. Balance of Tax (Item 48 minus Items 49 and 50)

An amended return must be marked "Amended" at top of return

Checks and drafts will be accepted only if payable at par

POSTING  
APR 18 1925  
DATE

1875



SCHEDULE A—INCOME FROM BUSINESS  
OR PROFESSION (See Instruction 2)

[Not filled out]

SCHEDULE B—INCOME FROM RENTS AND  
ROYALTIES (See Instruction 5)

[Not filled out]

SCHEDULE C—PROFIT FROM SALE OF  
REAL ESTATE, STOCKS, BONDS, ETC.

(See Instruction 6)

[Not filled out]

SCHEDULE D--CAPITAL NET GAIN OR LOSS  
FROM SALE OF ASSETS HELD MORE  
THAN TWO YEARS (See Instruction 6a)

[Not filled out]

SCHEDULE E—INTEREST ON LIBERTY  
BONDS AND OTHER OBLIGATIONS  
OR SECURITIES (See Instruction 8)

[Not filled out]

EXPLANATION OF DEDUCTION FOR  
LOSSES BY FIRE, STORMS, ETC.,  
CLAIMED IN SCHEDULE A, AND IN  
ITEM 13

[Not filled out]

EXPLANATION OF DEDUCTION FOR DE-  
PRECIATION CLAIMED IN  
SCHEDULES A AND B

[Not filled out]

SCHEDULE F—EXPLANATION OF DEDUC-  
TIONS CLAIMED IN ITEMS 1, 12, 14, AND 15

[Not filled out]

AFFIDAVIT

I swear (or affirm) that this return, including the accompanying schedules and statements (if any), has been examined by me, and, to the best of my knowledge and belief, is a true and complete return made in good faith for the taxable year as stated, pursuant to the Revenue Act of 1924 and the Regulations issued under authority thereof.

CECIL B. deMILLE

Sworn to and subscribed before me this 17th day of March, 1925.

[Seal]

GLADYS ROSSON,

Notary Public in and for the County of Los Angeles, State of California. My commission expires June 12, 1927. [823]

POSTAL

Washington DC March 13 1925

Mr. John H. Fisher  
DeMille Studios  
Culver City, Calif.

Extension April fifteen granted complete return of Cecil B. De Mille Constance A. De Mille and Cecil B. De Mille Productions, Inc. calendar year 1924 provided tentative terms filed showing only name and address and estimated tax and payment made one-fourth tax by March seventeen any deficiency first installment will bear interest six percent per annum from original due date attach copy this telegram tentative and completed returns by direction Commissioner.

F. G. BRIGHT

925A

Deputy Commissioner

COPY [824]



CECIL B. De MILLE PICTURES  
CORPORATION  
De Mille Studio  
Culver City California

In Association with  
Cinema Corporation  
of America

Released by  
Producers Distributing  
Corporatoion

April 15, 1925.

Mr. Rex B. Goodcell,  
Collector of Internal Revenue,  
Los Angeles, Calif.

Dear Sir:

"Completed Returns" are filed today for Cecil B. de Mille and for Cecil B. de Mille Productions, Inc., both for the calendar year 1924, as authorized by Deputy Commissioner F. G. Bright, who, on March 13, granted an extension of time which expires as of this date.

In both instances, the quarterly payment accompanying the "Tentative Return" was in excess of one-quarter of the tax found due in the "Completed Return." This over remittance will be absorbed when remitting for the second quarter of the tax.

Yours very truly,  
CECIL B. de MILLE.

Incls. [825]

**INDIVIDUAL INCOME TAX RETURN**  
FOR NET INCOMES OF MORE THAN \$5,000  
OR NET INCOMES, REGARDLESS OF AMOUNT, IF DERIVED FROM A PROFESSION OR BUSINESS, INCLUDING FARMING  
**For Calendar Year 1925**

Do Not Write in These Spaces

Send This Return With the Collector of Internal Revenue for Your District on or Before March 15, 1926

Serial Number 301215  
(Collector's Stamp)

RECEIVED  
AUG 7 1925

PRINT NAME AND ADDRESS PLAINLY BELOW

CECIL B DE MILLE  
DE MILLE STUDIO  
LOS ANGELES CALIFORNIA

RECEIVED  
AUG 28 1926  
LOS ANGELES OFFICE

By 40724

OCCUPATION, PROFESSION, OR KIND OF BUSINESS—**MOJION PICTURE PRODUCER**

- 1. Are you a citizen or resident of the United States? **YES**
- 2. If you filed a return for 1924, to what Collector's office was it sent? **LOS ANGELES**
- 3. Is this a joint return? **NO**
- 4. State name of husband or wife if separate return was made and the Collector's office to which it was sent: **CONSTANCE A. DE MILLE**
- 5. Were you married and living with husband or wife on the last day of your taxable year? **YES**
- 6. If not, were you on the last day of your taxable year supporting one or more persons living in your household who are closely related to you? **NO**
- 7. If so, state date of such change (changed)
- 8. How many dependent persons (other than husband or wife) under 18 years of age or incapable of self-support because mentally or physically defective were claimed B receiving their chief support from you on the last day of your taxable year? **ONE WIFE**

**INCOME**

- 1. Salaries, Wages, Commissions, etc. (State name and address of person from whom received) **\$ 23,000 00**
- 2. **C. B. DE MILLE PRODUCTIONS, INC.—CULVER CITY**
- 3. **C. B. DE MILLE PICTURES CORPORATION—OULVER CITY**
- 4. Net Profit from Business or Profession. (From Schedule A.) **16,877 57**
- 5. Interest on Bank Deposits, Corporation Bonds, etc. (except in Schedule A) **92 450 06**
- 6. Interest on Tax-Free Government Bonds Upon Which an Income Tax of 2% was Paid at Source **2 440 21**
- 7. Income from Partnerships, Fiduciaries, etc. (State name and address of partnership, etc.) **0 13**
- 8. Dividends and Royalties. (From Schedule B.) **5 234 5**
- 9. Profit from Sale of Real Estate, Stocks, Bonds, etc. (From Schedule C.) **2 149 57**
- 10. Dividends on Stock of Domestic Corporations **24 113 66**
- 11. Taxable Interest on Liberty Bonds, etc. (From Schedule F.)
- 12. Other Income (including dividends received on stock of foreign corporations). (State nature of income)
- 13. **RENT OF PROPS**
- 14. **COMMISSIONS**
- 15. **BAD ACCOUNTS PREVIOUSLY WRITTEN OFF—RECOVERED**
- 16. **TOTAL INCOME IN ITEMS 1 TO 9** **\$ 6 094 99**

- 17. **Taxes Paid** **2 250 57**
- 18. **Losses by Fire, Storm, etc.** (Explain in Table on page 2)
- 19. **Bad Debts** (Explain in Schedule F) **200 00**
- 20. **Contributions** (Explain in Schedule F) **3 684 00**
- 21. **Other Deductions Authorized by Law** (Explain below or on separate sheet)
- 22. **DEPRECIATION OF OFFICE FUR. AND FIX 52 040 20 AT 10 PER CENT**
- 23. **DEPRECIATION AND EXPENSE OF SPEED BOAT FOR PRODUCTION AND PUBLICITY**
- 24. **TOTAL DEDUCTIONS IN ITEMS 17 TO 23** **\$ 122 481 27**
- 25. **NET INCOME (Item 16 minus Item 24)** **\$ 19 599 42**
- 26. **NET INCOME (Item 10 minus Item 27)** **\$ 104 981 85**

**COMPUTATION OF TAX** (See Instruction 22 on reverse)

19. Earned Net Income (not over \$20,000)	\$ 20,000 00	30. Net Income (Item 18 on return)	\$ 104,981 85
20. Less Personal Exemption and Credit for Dependents	2,550 00	31. Less Dividends (Item 7 on return)	24,113 66
21. Balance (Item 19 minus 20)	17,450 00	32. Interest on Liberty Bonds, etc. (Item 8)	
22. Amount taxable at 1 1/2% (not over the first \$4,000 of Item 21)	4,000 00	33. Personal Exemption	2,550 00
23. Amount taxable at 5% (balance over \$4,000 of Item 21)	4,000 00	34. Credit for Dependents	
24. Amount taxable at 5% (balance over \$8,000 of Item 21)	9,450 00	35. Total of Items 31, 32, 33, and 34	26,663 66
25. Normal Tax (1 1/2% of Item 23)	60 00	36. Balance (Item 20 minus 35)	78,218 19
26. Normal Tax (5% of Item 23)	120 00	37. Amount taxable at 1 1/2% (not over the first \$4,000 of Item 36)	4,000 00
27. Normal Tax (5% of Item 24)	472 50	38. Amount taxable at 3% (not over the second \$4,000 of Item 36)	742 18 19
28. Excess on Item 19 over 27	220 00	39. Amount taxable at 5% (balance over \$8,000 of Item 36)	4,000 00
29. Credit of 25% of Item 28 (not over 25% of Items 28, 41, 42, and 43)	672 50	40. Amount taxable at 5% (balance over \$8,000 of Item 36)	7,028 19
	218 12		
		41. Normal Tax (1 1/2% of Item 37)	60 00
		42. Normal Tax (3% of Item 39)	120 00
		43. Normal Tax (5% of Item 40)	350 91
		44a. Tax on Net Income (total of Items 41, 42, 43, and 44)	126 36 57
		44b. Tax on Capital Gain (see page 4)	63 27 28
		45. Total of difference between Items 44a and 45	62 89
		46. Credit of 25% of Tax on Item 45	16 290 17
		47. Normal Tax (Item 25)	218 12
		48. Total Tax (Items 47 and 48)	6,612 05
		49. Balance (Item 36 minus 48)	46,634 43
		50. Foreign and Possession Tax (see page 4)	
		51. Balance of Tax (Item 49 minus 50)	46,634 43

NOTE—The above Computation of Tax should be filed in and securely attached at the foot of your original return (Form 1040) and filed with the Collector of Internal Revenue for your district. A copy should also be retained and attached to your duplicate return.



SCHEDULE A—INCOME FROM BUSINESS OR PROFESSION (See Instruction 2)  
 [Not filled out.]

SCHEDULE B—INCOME FROM RENTS AND ROYALTIES (See Instruction 5)

1. Kind of Property	2. Amount Received	3. Cost	4. Value as of March 1, 1913	5. Depreciation (Explain in table at foot of page)	6. Repairs	7. Other Expenses (Itemize below)	8. Net Profit (Enter as Item 5)
Dwelling—2036 Argyle	\$2,400.00	\$10,581.58	\$	\$ 279.08	\$	\$ 210.90	\$1,910.02
Dwelling—2338 Observatory	666.65	23,245.03		912.25		30.00	(275.60)
Dwelling—Highland Ave.	326.88	9,500.00		393.75			( 66.87)
					<b>TOTAL</b>		<b>1,567.55</b>

Explanation of deductions claimed in Column 7. Repairs and Maintenance. Taxes and Interest Not Included.

SCHEDULE C—PROFIT FROM SALE OF REAL ESTATE, STOCKS, BONDS, ETC. (See Instruction 6)  
 [Not filled out.]

SCHEDULE D—CAPITAL NET GAIN OR LOSS FROM SALE OF ASSETS HELD MORE THAN TWO YEARS (See Instruction 6a)

1. Kind of Property	2. Date		3. Date Sold		4. Amount Received	5. Depreciation Previously Allowed	6. Cost	7. Value as of March 1, 1913	8. Subsequent Improvements, and Capital Deductions	9. Net Gain or Loss (Enter as Item 45)
	Mo. Day Year	Mo. Day Year	Mo. Day Year	Mo. Day Year						
Stock—F. P. Lasky	12	31	2	1 25	\$966.90	\$	\$788.75	\$		\$178.15
Bonds—Polish Gov.	4	—22	3	25	650.00		325.00			325.00
TOTAL										503.15



SCHEDULE E—INTEREST ON LIBERTY BONDS AND OTHER OBLIGATIONS OR SECURITIES (See Instruction 8)

1. Obligations or Securities	2. Interest Received or Accrued	3. Amount Owned	4. Principal Amount Exempt from Taxation	5. Amount Owned in Excess of Exemptions	6. Interest on Amount in Excess of Exemptions (Enter as Item 8)
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia	\$ 236.00	\$4,258.20	All	.....	.....
(b) Securities issued under Federal Farm Loan Act, or under such Act as amended.....	.....	.....	All	.....	.....
(c) Liberty 3½% Bonds and other obligations of United States issued on or before September 1, 1917, and obligations of possessions of the United States .....	84.00	2,400.00	All	.....	.....
(d) Liberty 4% and 4¼% Bonds, Treasury 4% and 4¼% Bonds, Treasury Certificates of Indebtedness, and Treasury (War) Savings Certificates	44.59	1,050.00	\$5,000	\$.....	\$.....
(e) Liberty 4% and 4¼% Bonds.....	.....	.....	\$50,000	.....	.....
(f) Treasury Notes .....	.....	.....	None	.....	.....

SCHEDULE F— EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 1, 12, 14, AND 15

- Item 1—See Attached Schedule
- Item 15—See Attached Schedule

## EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES A AND B

1. Kind of Property (If buildings, state material of which constructed)	2. Date Acquired	3. Age When Acquired	4. Probable Life After Acquirement	5. Cost	6. Value as of March 1, 1913	Amount of Depreciation Charged Off	
						7. Previous years	8. This year
Frame House—2036 Argyle.....	1919	3	20	\$ 5,581.58	\$	\$ 279.08	\$ 279.08
Frame House—2338 Obsvty.....			20	18,245.03		862.94	912.25
Frame House—Highland Ave.....	1923		20	7,874.99		393.75	393.75

EXPLANATION OF DEDUCTION FOR LOSSES BY FIRE, STORM, ETC., CLAIMED IN SCHEDULE A  
AND IN ITEM 13

[Not filled out.]

## AFFIDAVIT

I swear (or affirm) that this return, including the accompanying schedules and statements (if any), has been examined by me, and, to the best of my knowledge and belief, is a true and complete return made in good faith for the taxable year as stated, pursuant to the Revenue Act of 1924 and the Regulations issued under authority thereof.

Sworn to and subscribed before me this 15th day of May, 1926.

(Seal) J. F. DAWSON

Notary Public. My commission expires May 8, 1927.

CECIL B. de MILLE

[827]

COPY .

March 9, 1926.

IT:CDEW

Cecil B. deMille,  
DeMille Studio,  
Culver City, California.

Sir:

Receipt is acknowledged of your letter of recent date requesting, for the reasons therein given, extension of time within which to file your return of income for the calendar year 1925.

An extension of time to May 15, 1926 is hereby granted within which the above mentioned return may be filed and payment made of the installment of tax shown to be due thereon.

In all cases where an extension of time is granted Section 270(c) (2) of the Revenue Act of 1924 provides that interest shall be collected at the rate of one-half of one per cent a month upon each installment from the original due date thereof to the expiration of the period of the extension even though payment is made prior to the time to which the extension is granted.

A copy of this letter must be attached to the return when it is filed as authority for the extension of time herein granted.

Respectfully,

D. H. BLAIR,

Commissioner,

By.....

Collector.

SCHEDULE  
CONTRIBUTIONS

ITEM 15

Episcopal Church of Pompton Lake	100.00
Authors' League	4.00
Community Chest of Los Angeles	2,500.00
Laemle Decennial Charity Jubilee	1.00
Boys' and Girls' Aid Society	120.00
Hellen Keller Blind Fund	25.00
Walleck Memorial	2.00
Memorial of the Angelus	150.00
Confederate Memorial Fund	50.00
Roscoe Community Church	100.00
160th Infantry of C. N. G.	50.00
Mission Reconstruction at S. B.	250.00
Humane Trapping Society	10.00
Spanish War Veterans	110.00
Arizona Hall of Fame	10.00
Scholarship Industrial School	200.00
Children's Hospital	2.00

Total

3,684.00

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[829]

SCHEDULE  
SALARY EXPENSE

ITEM 1

Office Rent	1,215.00
Research	84.00
Manager's Salary	5,000.00
Projecting	53.00
Business Dues and Subscription	165.88
Business Entertainment	163.90
Telegrams	63.37
Publicity	61.77
Sundry Expense	47.94
Legal Fees	64.50
Kitchen Expense for Guests	510.46
Studio Expense	100.60
Expressage	7.00
Auditing	300.00
Messengers' Salaries	4,390.24
Traveling Expense	4,495.54
Light	1.35
Auto Expense	946.65

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17,671.20

Less

Recovery of Legal Fees      1,066.80

Recovery Insurance              54.46

---

1,121.26

---

16,549.94

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[830]



## SCHEDULE

## INTEREST

## ITEM 3

Grauman Enterprises	41.72
Sundry Banks	589.94
Bonds Foreign	22.40
Sundry Notes	19.78
Note of Knoblock	549.63
De Mille Productions	1,216.74
	<hr/>
	2,440.21
	<hr/> <hr/>

## SCHEDULE

## DIVIDENDS

## ITEM 7

Bancitaly	343.75
Bank of Italy	71.25
Bank of America	30.00
Americommercial	42.00
Central Investment Corp.	7.50
Commercial Nat. Bk.	120.00
De Mille Productions	2,200.00
Denver Tramway	125.00
Katz Shoe Co.	416.66
Famous Players Lasky	20.00
L. A. Speedway Co.	13,950.00
N. Est. Subdivision	6,787.50
	<hr/>
	24,113.66
	<hr/> <hr/>

SCHEDULE  
INTEREST PAID  
ITEM 11

Commercial Nat. Bk.	3,513.55
Security Tr. and Sav. Bk.	1,575.00
Merchants Nat. Bk.	756.67
Piano Contract	10.18
Hussey, Thos.	244.99
	<hr/>
	6,100.39
Less Int. Recovered	
Lumm, Ella	5.40
	<hr/>
	<u>6,094.99</u>

SCHEDULE  
TAXES PAID  
ITEM 12

City and County		
N. Est. Subdivision	54.52	
Franklin Ave.	201.03	
Argyle Ave.	1,106.67	
Observatory Ave.	379.64	
Sunset and Cahuenga	17.79	
Paradise Ranch	223.34	
Personal Property	8.14	
		1,991.13
State		
Gasoline	119.00	
Insurance	48.30	
		167.30
Federal		
Admission and Stamps	24.44	
Club	67.70	
		92.14
		2,250.57
		[832]

# INDIVIDUAL INCOME TAX RETURN

FOR NET INCOMES OF MORE THAN \$5,000  
OR NET INCOMES, REGARDLESS OF AMOUNT, IF RECEIVED FROM A PROFESSION OR BUSINESS, INCLUDING FARMING

## For Calendar Year 1926

Do Not Write in These Spaces

File  
Date 9/2  
Serial  
Number

(Contributor's Stamp)

FOR THE YEAR 1926  
COLLECTOR OF INTERNAL REVENUE  
8th DISTRICT OF CALIFORNIA  
Cash MAP No. 15 dated 4/11/26  
LOS ANGELES OFFICE  
O. G. S.

File This Return With the Collector of Internal Revenue for Your District on or Before March 15, 1927

(PRINT NAME AND ADDRESS OF CONTRIBUTOR BELOW)

311012

C. B. DE MILLE

DE MILLE STUDIO  
(Street and number, or rural route)

CULVER, CITY, CALIF. (County)

(State)

OCCUPATION, PROFESSION, OR KIND OF BUSINESS. MILLION PICTURE PRODUCER.

1. Are you a citizen of the United States? YES
2. If you filed a return for 1925, to what Congressional office was it sent? 6TH CALIF.
3. Is it of husband and wife? NO
4. State name of husband or wife if separate return was made and the Collector's office where it was sent. MRS. CONSTANCE A. DE MILLE
5. Were you married and living with husband or wife on the last day of your taxable year? YES
6. If not, were you on the last day of your taxable year supporting one or more persons living in your household who are closely related to you? X
7. If during the year, state date of such change. changed
8. How many dependent persons (other than husband or wife) under 18 years of age or incapable of self-support because mentally or physically defective were receiving their chief support from you on the last day of your taxable year? 3

State and

1. Salaries, Wages, Commissions, etc. (State name and address of person from whom received) Amount received (Exhibit separate page)  
5 C. B. DE MILLE PICTURE CORP. 104000.00 \$ 9311.84

C. B. DE MILLE PICTURE CORP. 6166.66  
C. B. DE MILLE PRODUCTIONS 20.00  
DIRECTORS FEES 1730.72

2. Income from Business or Profession. (From Schedule A)

3. Interest on Bank Deposits, Notes, Corporation Bonds, etc. (From Schedule A)

(a) Interest on Tax-free Covenant Bonds Upon Which a Tax was Paid at Source

Income from Partnerships, Fiduciaries, etc. (State name and address of partnership, etc.)

ROYAL TILES

6. Rents and Royalties. (From Schedule B)

6. Profits from Sale of Real Estate, Stocks, Bonds, etc. (From Schedule C)

7. Dividends on Stock of Domestic Corporations

8. Taxable Interest on Liberty Bonds, etc. (From Schedule E)

9. Other Income (including dividends received on stock of foreign corporations). (State nature of income)

(c) RECOVERY OF LEGAL EXPENSES

(b) COMMISSIONS

10. Total Income in Items 1 to 9

DEDUCTIONS

11. Interest Paid

12. Taxes Paid. (Explain in Schedule F)

13. Losses by Fire, Storm, etc. (Explain in Table on page 2)

14. Bad Debts. (Explain in Schedule F)

15. Contributions. (Explain in Schedule F)

16. Other Deductions Authorized by Law. (Explain below or on separate sheet)

(a) SPEEDBOAT

(b) DIVISION OF INTEREST

(c) DEPRECIATION

17. Total Deductions in Items 11 to 16

18. Net Income (Item 10 minus Item 17)

19. Earned Net Income (Total over \$20,000) \$ 20000.00

20. Less Personal Exemptions and Credit \$ 4700.00

21. Balance (Item 19 minus 20) \$ 15300.00

22. Amount taxable at 3% (not over the first \$4,000 of Item 21) \$ 4000.00

24. Amount taxable at 15% (balance over \$8,000 of Item 21) \$ 7300.00

25. Normal Tax (1 1/2% of Item 22) \$ 60.00

27. Normal Tax (3% of Item 23) \$ 120.00

28. Surplus on Item 19 (see Instruction 21) \$ 220.00

29. Tax on Earned Net Income (total of Items 19 and 23) (not over 25% of Item 20, 42, 43, and 44) \$ 765.00

30. Credits of 26% of Item 23 (not over 25% of Item 20, 42, 43, and 44) \$ 191.25

42. Normal Tax (1 1/2% of Item 38) \$ 419981.97

43. Normal Tax (3% of Item 40) \$ 120.00

44. Normal Tax (5% of Item 24) \$ 2759.59

46. Tax on Net Income (total of Items 42, 43, 44, and 45) \$ 15656.79

47. Less Credit of 28% of Tax on Earned Net Income (Item 30) \$ 191.25

48. Amount for Capital Gain or Loss (United States and possessions of foreign country or U.S. possessions of other than Item 51) \$ 19,404.73

50. Total Tax (total of or difference between Items 46 and 49) \$ 18,404.73

51. Less Income Tax Paid at Source (foreign country or U.S. possessions of other than Item 51) \$ 18,404.73

52. Income and Profits Taxes paid to other than Item 51 (Item 50 minus Item 51) \$ 18,404.73

53. Balance of tax (Item 50 minus Item 52) \$ 18,404.73

COMPUTATION OF TAX (See Instruction B)

31. Net Income (Item 18 above) \$ 419981.97

32. 7% above (Item 31 minus 30) \$ 29399.14

33. Interest on Liberty Bonds, etc. (Item 8) \$ 4000.00

34. Personal Exemption \$ 2500.00

35. Credit for Dependents \$ 1200.00

38. Total of Items 32, 33, 34, and 35 \$ 56799.22

39. Balance (Item 31 minus 38) \$ 63191.75

40. Amount taxable at 2% (not over the first \$4,000 of Item 37) \$ 4000.00

41. Amount taxable at 6% (balance over \$8,000 of Item 37) \$ 59191.75

42. Normal Tax (1 1/2% of Item 38) \$ 60.00

43. Normal Tax (3% of Item 40) \$ 120.00

44. Normal Tax (5% of Item 41) \$ 2759.59

46. Tax on Net Income (total of Items 42, 43, 44, and 45) \$ 15656.79

47. Less Credit of 28% of Tax on Earned Net Income (Item 30) \$ 191.25

48. Amount for Capital Gain or Loss (United States and possessions of foreign country or U.S. possessions of other than Item 51) \$ 19,404.73

50. Total Tax (total of or difference between Items 46 and 49) \$ 18,404.73

51. Less Income Tax Paid at Source (foreign country or U.S. possessions of other than Item 51) \$ 18,404.73

52. Income and Profits Taxes paid to other than Item 51 (Item 50 minus Item 51) \$ 18,404.73

53. Balance of tax (Item 50 minus Item 52) \$ 18,404.73

An unrounded return must be marked "Amended" at top of return.

Checks and drafts will be accepted only if payable to





SCHEDULE A—INCOME FROM BUSINESS OR PROFESSION (See Instruction 2)

[Not filled out.]

SCHEDULE B—INCOME FROM RENTS AND ROYALTIES (See Instruction 5)

1. Kind of Property	2. Amount Received	3. Cost	4. Value as of March 1, 1913	5. Depreciation (Explain in table at foot of page)	6. Repairs	7. Other Expenses (Itemize below)	8. Net Profit (Enter as Item 5)
Argyle Ave.	\$2,400.00	\$	\$	\$ 279.08	\$ 76.39	\$ 17.50	\$
Hollywood Blvd.	60.00					49.14	
Observatory	225.00						
Highland and Sunset	29.59	Franklin and Highland		1,487.02		159.80	695.66

Explanation of deductions claimed in Column 7—Insurance 17.50, Street lighting 49.14, Clearing lake 159.80.

SCHEDULE C—PROFIT FROM SALE OF REAL ESTATE, STOCKS, BONDS, ETC. (See Instruction 6)

1. Kind of Property	2. Date Acquired	3. Amount Received	4. Depreciation Allowable Since Acquisition	5. Cost	6. Value as of March 1, 1913	7. Subsequent Improvements	8. Net Profit (Enter as Item 6)
Picture Right		\$ 2,071.88	\$	\$	\$	\$ Loss	\$2,071.88
Real Est. Observatory		23,269.22		23,245.03			24.19
Stock Amicommercial	5 Sh.	707.50		675.00			32.50

SCHEDULE D—CAPITAL NET GAIN OR LOSS FROM SALE OF ASSETS HELD MORE THAN TWO YEARS (See Instruction 6a)

[Not filled out.]

SCHEDULE E—INTEREST ON LIBERTY BONDS AND OTHER OBLIGATIONS OR SECURITIES

(See Instruction 8)

[Not filled out.]

SCHEDULE F—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 1, 12, 14, AND 15

Bad Debts—Cinema Stock 20,000.00, Bell 250.00, De Vore 100.00, Harmer 215.80, Jones 200.00, Kain 15.00, Stein 50.00, Bell 90.00, Clanney 22.10, Morris 100.00, Wallace 150.00, Wing 200.00, Clark 225.00, Hopkins 250.00, Coffee 30.00, Four Hundred Club 60.00, Total 21,957.90.

EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES A AND B

1. Kind of Property (If buildings, state material of which constructed)	2. Date Acquired	3. Age When Acquired	4. Probable Life After Acquirement	5. Cost	6. Value as of March 1, 1913	Amount of Depreciation		
						7. Previous years	8. This year	
Office Fur. and Fix.	Various	New	10 Yr.	\$51,945.30	\$	\$21,712.65	\$5,194.53	
Business Car	1926	New	4 Yr.	1,017.00	.....	.....	151.13	
Speedboat and Tools	1925	New	.....	1,550.58	.....	250.00	267.49	
								5,613.15

EXPLANATION OF DEDUCTION FOR LOSSES BY FIRE, STORM, ETC., CLAIMED IN SCHEDULE  
A, AND IN ITEM 13

[Not filled out.]

AFFIDAVIT

I swear (or affirm) that this return, including the accompanying schedules and statements (if any), has been examined by me, and, to the best of my knowledge and belief, is a true and complete return made in good faith for the taxable year as stated, pursuant to the Revenue Act of 1926 and the Regulations issued under authority thereof.

Sworn to and subscribed before me this 15 day of  
March, 1927.

GLADYS ROSSON, Notary Public. (Notarial Seal)

CECIL B. DE MILLE.

My commission expires June 12, 1927.

## ITEM 1—BUSINESS EXPENSES

Auditing	1037.00
Auto Hire and Exp.	380.54
Business Dues	251.35
Commissions	15.00
Insurance	316.08
Manager	2,300.00
Messenger	2,255.00
Projecting	68.70
Rent	1,200.00
Repairs	25.30
Tel. and Tel.	111.01
Traveling	500.68
Auto Ins.	238.94
Ins. Fur. Fix.	205.39
Safety Bar	15.00
Stationery	34.60
Water	24.75
Publicity	332.00
	<hr/>
Total	9,311.84

Bonds, Warsaw	54.38	39.70	14.68
Auto, Ford	200.00	553.02	76.52
Stock St. Oil of K. 100 Sh.	2,100.00	3,625.00	1,525.00
			<hr/>
		1,601.52	2,143.25
			1,601.52
			<hr/>
		Gain	541.73
			[836]



## ITEM 12—TAXES

City and Co.	2,738.53	
State Gasoline	107.12	
State License	36.50	
Federal Stamp	.64	
Federal Admission	15.46	
Federal Club	63.80	
	<hr/>	
	2,962.05	[837]

# INDIVIDUAL INCOME TAX RETURN

## For Calendar Year 1927

FOR NET INCOMES FROM SALARIES OR WAGES OF MORE THAN \$5,000 OR INCOMES, REGARDLESS OF AMOUNT, FROM BUSINESS, PROFESSION, PROFITS, OR SALE OF PROPERTY

Do Not Write in These Spaces

File No. **92**  
Serial Number  
Number (Cable's Stamp)

File This Return With the Collector of Internal Revenue for Your District on or Before March 15, 1928

PRINT NAME AND ADDRESS PLAINLY BELOW **304823**

**C B DE MILLE**  
**DE MILLE STUDIO**  
**CULVER CITY**  
**CALIFORNIA**

Occupation, Profession, or Business **PRODUCER OF MOTION PICTURES**

- Are you a citizen or resident of the United States? **YES**
- If not, in what country or countries were you on the last day of your taxable year supporting one or more persons living in your household who are closely related to you? **NO**
- Is this a joint return of husband and wife? **NO**
- State name and address of each person for whom a return was made and the date when it was sent to the Collector's office where it was sent.

INCOME **AMOUNT RECEIVED**  
1. Salaries, Wages, Commissions, etc. (State name and address of person from whom received) **\$ 26,000.00**  
**C B DE MILLE PRODUCTIONS INC**

**00 DIRECTORS' FEES**  
2. Income from Business or Profession. (From Schedule A)  
**118,000.00**  
**PRODUCTION CONTRACT C B DE MILLE PICTURES CORP**

3. Interest on Bank Deposits, Notes, Corporation Bonds, etc. (except interest upon which a tax was paid at source) **107,911.15**  
(c) Interest on Tax-free Covenant Bonds Upon Which a Tax was Paid at Source  
4. Income from Partnerships. (State name and address) **40.00**

(c) Income from Fiduciaries. (State name and address)  
5. Dividends and Royalties. (From Schedule B) **817.07**

6. Profits from Sale of Real Estate, Stocks, Bonds, etc. (From Schedule C) **1,050.30**  
7. Dividends on Stock of Domestic Corporations **907.85**  
8. Taxable Interest on Liberty Bonds, etc. (From Schedule D) **45,354.45**

9. Other Income (including dividends received on stock of foreign corporations). (State nature of income)  
(c) **LEGAL EXPENSES RECOVERED**  
(d) **SUNDRY INCOME**

10. TOTAL INCOME IN ITEMS 1 TO 9 **\$ 185,882.72**

11. DEDUCTIONS  
12. Taxes Paid. (Explain in Schedule F) **1,363.12**  
13. Losses by Fire, Storm, etc. (Explain in Table on page 2) **3,008.33**  
14. Bad Debts. (Explain in Schedule F) **29,004.63**  
15. Contributions. (Explain in Schedule F) **10,520.69**  
16. Other Deductions Authorized by Law. (Explain in Schedule F)  
17. TOTAL DEDUCTIONS IN ITEMS 11 TO 16. **\$ 34,896.77**  
18. NET INCOME (Item 10 minus Item 17) **\$ 150,985.95**

COMPUTATION OF TAX (See Instruction 21)

19. Earned Net Income (not over \$20,000)	\$ 20,000.00	42. Normal Tax (1 1/2% of Item 38)	\$ 60.00
20. Less Personal Exemption and Credit for Dependents (see Instruction 20)	2,350.00	43. Normal Tax (3% of Item 40)	120.00
21. Balance (Item 19 minus 20)	\$ 17,650.00	44. Normal Tax (5% of Item 41)	4,313.58
22. Amount taxable at 1 1/2% (not over the first \$4,000 of Item 21)	\$ 4,000.00	45. Surtax on Item 18 (see Instruction 21)	200.55
23. Amount taxable at 3% (not over the second \$4,000 of Item 21)	\$ 4,000.00	46. Tax on Net Income (total of Items 42, 43, 44, and 45)	\$ 245.48
24. Amount taxable at 5% (balance over \$8,000 of Item 21)	\$ 9,650.00	47. Less Credit of 25% of Tax on Earned Net Income (Item 30)	220.62
25. Normal Tax (1 1/2% of Item 22)	\$ 60.00	48. Balance (Item 46 minus 47)	\$ 243.28
26. Normal Tax (3% of Item 23)	120.00	49. Adjustment for Capital Gain or Loss (12 1/2% of Column 9, Schedule D)	9.98
27. Normal Tax (5% of Item 24)	482.50	50. Total Tax (total of all difference between Items 48 and 49)	\$ 252.87
28. Surtax on Item 19 (see Instruction 21)	220.00	51. Income Tax Paid at Source (foreign country or U. S. possession)	
29. Credit of 25% of Item 28 (not over 25% of Items 23, 42, 43, and 44)	\$ 882.50	52. Balance (Item 48 minus 50 minus 51 and 52)	\$ 252.87
30. Total Tax (total of Items 25, 26, 27, and 28)	\$ 2,220.62		

I swear (or affirm) that this return, including the accompanying schedules and statements (if any), has been examined by me, and to the best of my knowledge and belief, is a true and complete return made in good faith for the taxable year as stated, pursuant to the Revenue Act of 1926, and the Regulations issued under authority thereof.

Return so and subscribed before me this 13<sup>th</sup> day of March, 1928.  
 Signature of Taxpayer: Walter P. Miller  
 Signature of Preparer: Walter P. Miller  
 Signature of Auditor: Walter P. Miller  
 Signature of Collector: Walter P. Miller



SCHEDULE A—INCOME FROM BUSINESS OR PROFESSION (See Instruction 2)

[Not filled out]

SCHEDULE B—INCOME FROM RENTS AND ROYALTIES (See Instruction 5)

[Not filled out]

SCHEDULE C—PROFIT FROM SALE OF REAL ESTATE, STOCKS, BONDS, ETC. (See Instruction 6)

1. Kind of Property	2. Date Acquired	3. Amount Received	4. Depreciation Allowable Since Acquisition	5. Cost	6. Value as of March 1, 1913	7. Subsequent Improvements	8. Net Profit (Enter as Item 6)
Stock Right Bk. of Italy.....	1927	\$ 21.00	\$ .....	\$ .....	\$ .....	.....	\$ 21.00
Bond L. A. Water.....	2-11-26	1,000.00	.....	1,040.00	.....	Loss	40.00
Chrysler Auto.....	5-27-25	850.00	746.15	1,885.00	Sold May 2-27	Loss	288.85
						Loss	\$307.85





SCHEDULE E—INTEREST ON LIBERTY BONDS AND OTHER OBLIGATIONS OR SECURITIES

(See Instruction 8)

1. Obligations or Securities	2. Interest Received or Accrued	3. Amount Owned	4. Principal Amount From Exempt Taxation	5. Amount Owned in Excess of Exemption	6. Interest on Amount in Excess of Exemption (Enter as Item 8)
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia	\$	\$	All	X X X X X X X X X X	X X X X X X X X X X
(b) Securities issued under Federal Farm Loan Act, or under such Act as Amended			All	X X X X X X X X X X	X X X X X X X X X X
(c) Liberty 3½% Bonds and other obligations of United States issued on or before September 1, 1917, and obligations of possessions of the United States	259.00	7,400.00	All	X X X X X X X X X X	X X X X X X X X X X
(d) Liberty 4% and 4¼% Bonds, Treasury 3¾%, 3¾%, 4%, and 4¼% Bonds, Treasury Certificates of Indebtedness, and Treasury (War) Savings Certificates	36.12	850.00	\$5,000	\$	\$
(e) Treasury Notes			None		

SCHEDULE F—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 1, 12, 14, 15, AND 16

[Not filled out]

EXPLANATION OF DEDUCTION FOR DEPRECIATION IN SCHEDULES A AND B

[Not filled out]

EXPLANATION OF DEDUCTION FOR LOSSES BY FIRE, STORM, ETC., CLAIMED IN SCHEDULE A,  
AND IN ITEM 13

[Not filled out]

[839]

## ITEM 1

## Business Expense

Office Rent .....	1,200.00	
Depre. of Office Furn. & Fix.....	5,257.47	
Depre. of Messenger's Car.....	166.12	
Auditing .....	566.00	
Tel. & Tel.....	264.46	
Messenger's Car Expense.....	209.27	
Messenger's Salary .....	1,070.00	
Stationery .....	61.60	
Insurance .....	470.57	
Previewing .....	92.83	
Sundry Expense .....	32.43	
Business Club Dues	.	
Hollywood Ath. Club.....	60.05	
Com. Club of L. A.....	40.00	
Save the Redwoods.....	2.00	
Writers Club .....	72.00	
Breakfast Club .....	100.00	
Lambs Club .....	317.50	
The Masquers .....	25.00	
Acad. of M. P. Arts & Sciences.....	35.00	
Com. Assn. of S. Calif.....	25.00	
Hollywood Chamber of Com.....	12.00	
Authors League .....	1.00	
Film Mercury .....	3.00	
Newspapers .....	5.35	698.10
		<hr/>
TOTAL.....		\$10,088.85

[840]

## ITEM II

## Interest Paid

Bank of Italy on Hollywood Blvd.....	\$ 262.50
Bank of Italy on Highland Ave.....	153.12
Sec. Trust & Sav. Bank Loan.....	830.83
Deferred Income Tax.....	116.67
	<hr/>
	\$1,363.12

[841]

## ITEM 3

## Taxable Interest

U. S. of Brazil.....	19.01
Bank of America.....	171.06
Federal Trust & Savings Bank.....	30.73
Commercial National Tr. & Sav. Bank.....	58.11
Bank of Italy.....	64.32
Salt Lake Terminal.....	60.00
Czeko Slovak .....	19.38
Midi Ry. of France.....	290.41
Sam Claggett .....	100.00
Minor Child .....	4.05
	<hr/>
TOTAL.....	\$ 817.07

[842]

## ITEM 7

## Dividends Received

Elias-Katz .....	\$ 500.00	
Bank of Italy.....	666.82	
Bancitaly .....	586.88	
Commercial National .....	30.00	
Central Investment .....	7.00	
L. A. Speedway.....	12,150.00	
C. B. de Mille Prod.....	30,000.00	
Equitable Investment Co.....	1,000.00	
	<hr/>	
	44,940.70	
Minor Child		
Elias-Katz .....	120.00	
Bancitaly .....	68.68	
Bank of Italy.....	116.88	
Rights Bancitaly .....	58.65	
St. Louis & San F. Ry.....	12.00	
B. & O. Ry.....	13.00	
Kinnicott Copper .....	11.25	
Rights St. Louis.....	5.40	
Penn. Ry. ....	7.89	413.75
	<hr/>	
TOTAL.....		\$45,354.45

[843]

## ITEM 12

## Taxes Paid

## Real Estate

N. Side Sunset Blvd.....	18.93
Hollywood Blvd .....	424.70
Observatory Ave. ....	89.25
Franklin Ave. ....	220.64
Paradise .....	377.60
Argyle Ave. ....	665.41
North Est. Subdivision.....	70.45
Personal Property .....	843.76
Gas—Club Dues—Tickets .....	297.59

TOTAL.....\$3,008.33

[844]

## ITEM 14

## Bad Debts

Burnwell .....	5,520.00
Burnwell Syn. ....	21,858.03
Bruce Delmater .....	125.00
Eva Benton .....	25.00
Eddie Coffee .....	50.00
Georgia de Voie.....	75.00
Mrs. Harkness .....	20.00
Mildred Harris .....	50.00
Selma Maynard .....	300.00
Elizabeth Marshall .....	35.00
Adelaide Murry .....	550.00
Della Smith .....	140.00
J. E. Tremble.....	50.00
Ethel Holmes .....	40.00
Harry Penn .....	116.60
Frances Powers .....	50.00

TOTAL.....\$29,004.63

[845]



## ITEM 15

## Contributions

Assn. of the Army of the U. S.....	\$ 5.00
American Red Cross Assn. (Mississippi Fund).....	500.00
American Green Cross Assn.....	1.00
American Humane Assn.....	10.00
Associated Charities .....	20.00
Author's League .....	1.00
Al Malaikah Childrens Hospital.....	2.00
Community Chest .....	5,450.00
Disabled Veterans of World War.....	50.00
Good Samaritan Hospital.....	20.00
Los Angeles Museum Assn.....	100.00
Moving Picture Relief.....	300.00
Mission Play .....	200.00
Mississippi Relief Fund.....	1.00
National Vaudeville Assn.....	1,000.00
Public Playgrounds .....	200.00
Prevention of Forest Fires.....	750.00
Reserve Officers Assn. ....	75.00
St. Johns Church of Wash., N. C.....	1,108.69
St. Johns Episcopal Church.....	10.00
Swedish Church of America.....	100.00
The Kings Daughters & Sons.....	10.00
United Jewish Relief.....	500.00
War Veterans Hospital.....	100.00
World War Veterans.....	12.00
<b>TOTAL.....</b>	<b>\$10,530.69</b>

Kind of Property	Amt. Recd.	Depre- ciation	Other Expenses	Net Profit
Argyle Ave.	405.00	279.08	82.67	43.25
Highland Ave.	567.46			567.46
Hollywood Blvd.	56.75			56.75
Sunset & Cahuenga	8.65			8.65
Franklin Ave.		255.97		255.97

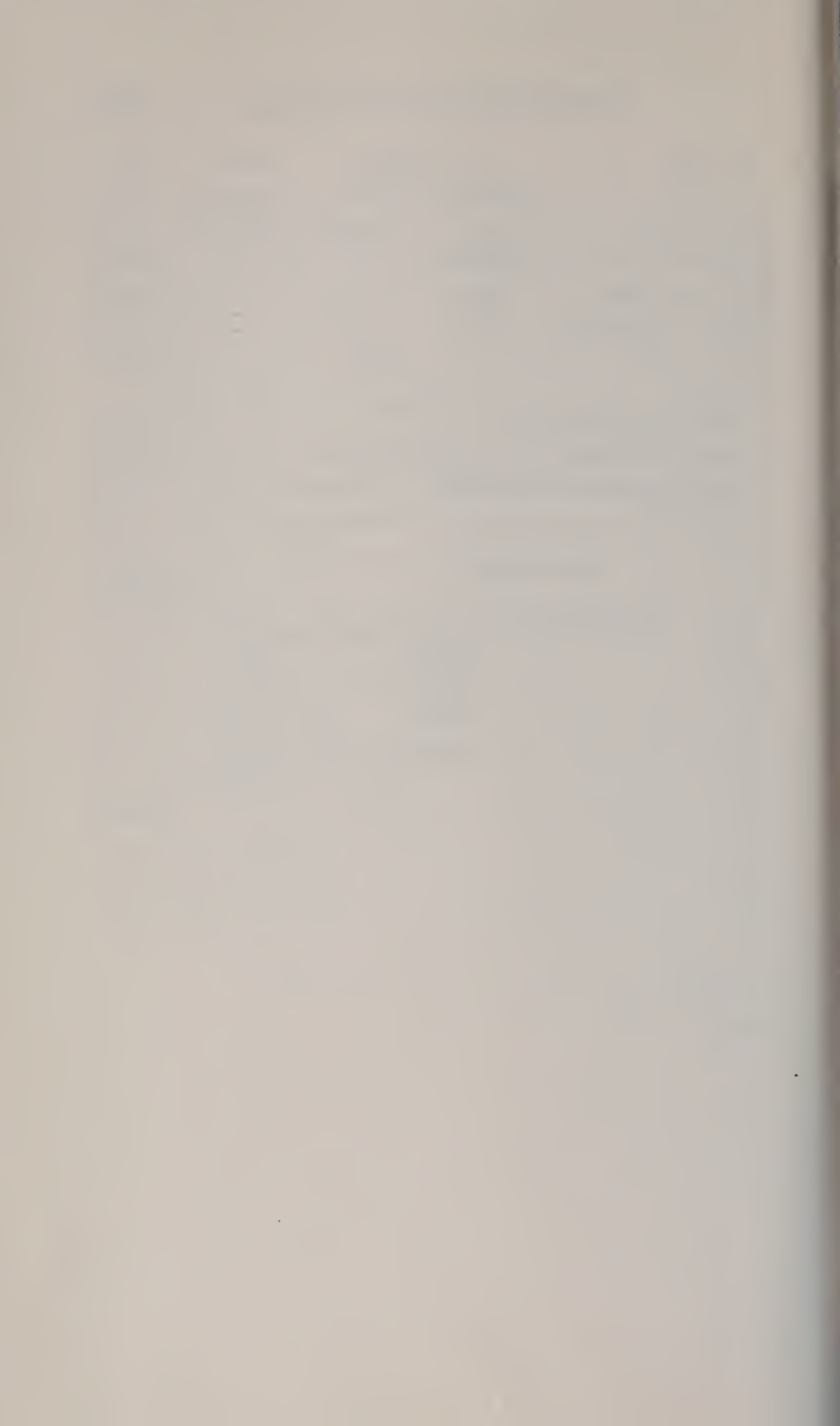
Royalties

“Ten Commandments” .....	117.02
“King of Kings” .....	500.00
“Rejuvenation of Aunt Mary” .....	11.25
“Genius” .....	1.89

NET PROFIT.....\$1,050.30

Other Expenses—Insurance .....	9.10
Light .....	40.04
Water .....	13.53
Patrol .....	20.00
TOTAL .....	<u>\$82.67</u>

[847]



Estimated 3/15/29

# INDIVIDUAL INCOME TAX RETURN

FOR NET INCOMES FROM SALARIES OR WAGES OF MORE THAN \$5,000 OR INCOMES, REGARDLESS OF AMOUNT, FROM BUSINESS, PROFESSION, PROFITS, RENTS, OR SALE OF PROPERTY

## For Calendar Year 1928

File This Return With the Collector of Internal Revenue for Your District on or Before March 15, 1929

### PRINT NAME AND ADDRESS PLAINLY BELOW

CECIL B. DE MILLE

METRO GOLDWYN MAYER STUDIO

SILVER CITY (City or town) CALIFORNIA (State)

U. S. G. & M. Co. (Name of Employer)  
MAR 25 1929 (Date)  
L. S. ANGELES, CALIF. (City)

Do Not Write in These Spaces

File No. 725  
Serial Number 31317

First Payment  
Paid  
Credited  
As

### Occupation, Profession, or Business

PICTURE DIRECTOR & PRODUCER (State)

- 1. Are you a citizen or resident of the United States for 1927?  YES
- 2. If not, to what Collector's office was it sent? GTH. CALIF.
- 3. Is this a joint return?  NO
- 4. State separate return was made and the Collector's office where it was sent CONSTANCE A DE MILLE
- 5. How many dependent persons (other than husband or wife) under 18 years of age or incapable of self-support because mentally or physically defective were receiving their child support from you on the last day of your taxable year? 3

Amount received (Excludes paid for)

1. SALARIES, WAGES, COMMISSIONS, ETC.	2. DIVIDENDS ON STOCK	3. PROFIT FROM SALE OF REAL ESTATE, STOCKS, BONDS, ETC.	4. TAXABLE INTEREST ON LIBERTY BONDS, ETC.	5. RENTALS FROM REAL ESTATE, STOCKS, BONDS, ETC.	6. PROFIT FROM SALE OF REAL ESTATE, STOCKS, BONDS, ETC.	7. DIVIDENDS ON STOCKS OF DOMESTIC CORPORATIONS	8. OTHER INCOME (including dividends received on stock of foreign corporations).	9. OTHER INCOME (including dividends received on stock of foreign corporations).	10. TOTAL INCOME IN ITEMS 1 TO 9
<u>B. DE MILLE PICTURE CORP.</u>									<u>222,162.76</u>
<u>C. B. DE MILLE PRODUCTIONS, INC.</u>									
<u>1/2 OF MY WIVES SALARY RETURNED AS COMMUNITY INCOME</u>									

ONE HALF OF PERSONAL EXEMPTION CLAIMED BY WIFE



### EARNED INCOME CREDIT

18. Earned Net Income (not over \$20,000)	\$20,000.00	42. Normal Tax (1 1/2% of Item 38)	\$6,772.33
19. Personal Exemption Credit (see Instruction 20)	\$389.67	43. Normal Tax (9% of Item 40)	
20. Credit for Dependents (see Instruction 20)		44. Normal Tax (5% of Item 41)	373.18
21. Balance (Item 19 minus Item 20)	\$2,950.00	45. Tax on Net Income (total of Items 42, 43, 44, and 45) (see Instruction 21)	5,671.10
22. Amount taxable at 1 1/2% (not over the first \$4,000 of Item 21)	\$4,000.00	46. Tax on Net Income (total of Items 42, 43, 44, and 45) (see Instruction 21)	\$6,224.26
23. Amount taxable at 3% (not over the second \$4,000 of Item 21)	\$4,000.00	47. Amount of difference between Items 45 and 46	2,737.86
24. Balance over (Item 21 minus balance over Item 23)	19,650.00	48. Total of difference between Items 46 and 47	\$3,663.14
25. Normal Tax (1 1/2% of Item 22)	\$60.00	49. Balance over (Item 30) (see Instruction 24)	510.62
26. Normal Tax (3% of Item 23)	120.00	50. Total Tax (Item 43 minus Item 49)	\$3,092.52
27. Normal Tax (5% of Item 24)	990.50	51. Less Income Tax Paid at Source	1
28. Surtax on Item 19 (see Instruction 21)	960.00	52. Income and Profits Tax on foreign country or item 30	
29. Tax on Earned Net Income (total of Items 25, 26, 27, and 28) (not over \$20,425.00)	\$2,042.50	53. Balance over (Item 31 and 52)	1,091.92
30. Credit for 25% of Items 25, 26, 27, 28, and 29 (not over \$5,101.62)	\$510.16	54. Balance over (Item 31 and 53)	609.76

### COMPUTATION OF TAX (See Instruction 31)

31. Net Income (Item 13 above)	\$6,772.33	50. Total Tax (Item 43 minus Item 49)	\$3,092.52
32. 7 above minus item 29	\$689.67	51. Less Income Tax Paid at Source	1
33. Interest on Liberty Bonds, etc. (Item 5)		52. Income and Profits Tax on foreign country or item 30	
34. Credit for Dependents, 1,200.00		53. Balance over (Item 31 and 52)	1,091.92
35. Personal Exemption, 1,150.00		54. Balance over (Item 31 and 53)	609.76
36. Total of Items 32, 33, 34, and 35	5,224.67	55. Balance over (Item 31 and 54)	610.14
37. Balance (Item 31 minus Item 36)	\$1,547.66	56. Total Tax (Item 48 minus Item 55)	\$3,603.14
38. Amount taxable at 3% (not over the first \$4,000 of Item 37)	4,000.00	57. Less Income Tax Paid at Source	
39. Balance (Item 37 minus Item 38)	\$1,463.66	58. Total Tax (Item 56 minus Item 57)	3,603.14
40. Amount taxable at 5% (not over the second \$4,000 of Item 37)	4,000.00	59. Total Tax (Item 58 minus Item 59)	3,603.14
41. Amount taxable at 6% (not over \$8,000 of Item 37)	4,663.66	60. Total Tax (Item 58 minus Item 59)	3,603.14

I swear (or affirm) that this return, including the accompanying schedules (if any), is a true and complete return made in good faith for the taxable year as stated, pursuant to the Revenue Act of 1928, and the Regulations thereunder, and under authority thereunder.

Subscribed to Metro Goldwyn Mayer Studio (Signature of taxpayer) 13.7.29 (Date)

Subscribed to Metro Goldwyn Mayer Studio (Signature of preparer) 13.7.29 (Date)

Sworn to and subscribed before me this 13th day of March, 1929.

Notary Public (Signature of Notary Public) 13.7.29 (Date)

C. C. ... (Signature of individual or agent) 13.7.29 (Date)

An amended return must be marked "Amended" at top of return  
HOTARY PUBLIC  
My Commission Expires June 24, 1930.  
Checks and drafts will be accepted only if payable at par  
-1-





SCHEDULE A—INCOME FROM BUSINESS OR PROFESSION (See Instruction 2)

[Not filled out]

SCHEDULE B—INCOME FROM RENTS AND ROYALTIES (See Instruction 5)

[Not filled out]

SCHEDULE C—PROFIT FROM SALE OF REAL ESTATE, STOCKS, BONDS, ETC. (See Instruction 6)

[Not filled out]

SCHEDULE D—CAPITAL NET GAIN OR LOSS FROM SALE OF ASSETS HELD MORE THAN TWO YEARS (See Instruction 6a)

1. Kind of Property	2. Date Acquired		3. Date Sold		4. Amount Received	5. Depreciation Allowable Since Acquisition	6. Cost	7. Value as of March 1, 1913	8. Subsequent Improvements, and Capital Deductions	9. Net Gain or Loss (Enter 12 1/2% as Item 49)
	Mo. Day Year	Mo. Day Year	Mo. Day Year	Mo. Day Year						
34,457 Sh. Pathe Exch.	4/17/27				\$235,110.55	\$	\$16,079.69	\$	\$	\$219,030.86

State how property was acquired—This was acquired through the reorganization of the Cinema Corp. of America in exchange for stock acquired Apr. 24, 1925. See Art. 501, Reg. 74.

SCHEDULE E—INTEREST ON LIBERTY BONDS AND OTHER OBLIGATIONS OR SECURITIES  
(See Instruction 8)

1. Obligations or Securities	2. Interest Received or Accrued	3. Amount Owned	4. Principal Amount Exempt from Taxation	5. Amount Owned in Excess of Exemption	6. Interest on Amount in Excess of Exemption (Enter as Item 8)
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia .....	\$	\$	All	X X X X X X X X X X	X X X X X X X X
(b) Securities issued under Federal Farm Loan Act, or under such Act as Amended .....			All	X X X X X X X X X X	X X X X X X X X
(c) Liberty 3½% Bonds and other obligations of United States issued on or before September 1, 1917, and obligations of possessions of the United States.....	259.00	7,400.00	All	X X X X X X X X X X	X X X X X X X X
(d) Liberty 4% and 4¼% Bonds, Treasury 3¾%, 3¼%, 4%, and 4¼% Bonds, Treasury Certificates of Indebtedness, and Treasury Savings Certificates.....	30.03	850.00	\$5,000	\$	\$
(e) Treasury Notes .....			None		

SCHEDULE F--EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 1, 12, 14, 15, AND 16

[Not filled out]

EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES A AND B

[Not filled out]

EXPLANATION OF DEDUCTION FOR LOSSES BY FIRE, STORM, ETC., CLAIMED IN SCHEDULE A, AND IN ITEM 13

[Not filled out]

[849]

March 15, 1929.

IT:OJP

Cecil B. DeMille  
c/o DeMille Studio,  
Culver City, Calif.,

Sir:

Receipt is acknowledged of your letter of recent date requesting, for the reasons therein given, extension of time within which to file your return of income for the calendar year 1928.

An extension of time to March 25, 1929, is hereby granted within which the above mentioned return may be filed and payment made of the installment of tax shown to be due thereon.

In all cases where an extension of time is granted interest shall be collected at the rate of one-half of one per cent a month upon each installment from the original due date thereof to the expiration of the period of the extension even though payment is made prior to the time to which the extension is granted.

A copy of this letter must be attached to the return when it is filed as authority for the extension of time herein granted.

Respectfully,

D. H. BLAIR,

Commissioner.

By GALEN H. WELCH,

#222

Collector.

B

[850]

## ITEM 1

## Business Expense

Messenger Service	1,131.25	
Other Salary	150.00	
Projecting	5.00	
Preview Tickets	108.03	
Office Rent	1,215.00	
Auditing	396.00	
Subscriptions to Art and Science	124.61	
Entertainment at Business Clubs	15.40	
Repairs	15.50	
Office Furniture Insurance	61.99	
Tel. and Tel.	15.42	
Business Auto Expense	761.92	4,000.12

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## ITEM 3

## Interest Received

Bank of Italy	\$ 690.25	
Commercial National Bank	150.65	
Bank of America	20.48	
Federal Trust and Savings Bank	2.24	
Polish Zloty Kronan	4.20	
U. S. of Brazil	9.60	
Midi R. R. of France	38.82	
Mr. Claggett	100.00	
Jack Fife	7.44	

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Total	\$1023.68	
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[851]



## ITEM 3 (a)

## Interest Received 2% Paid at Source

Salt Lake Terminal	\$60.00
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## ITEM 4 (a)

## Income of Minor Child

Pension from Canadian Government	\$208.00
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Sale of Rights—St. L. and S. F.	2.55
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Total	\$210.55
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Less exchange on Foreign draft	.75
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Total	\$209.80
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[852]

## ITEM 5

## Rentals

Argyle Ave.

Taxes .....	\$ 707.48
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Street lighting .....	22.64
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Insurance .....	56.00
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Depreciation .....	279.08
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1,065.20
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Less Rentals .....	704.00
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Total.....	\$ 361.20
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## ITEM 5 (Cont.)

## Rentals

## Encino Ranch

Taxes .....	136.86
Interest .....	262.89
Depreciation .....	296.30

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Total..... 696.05

## Franklin Ave.

Taxes .....	113.12
Depreciation .....	255.97

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Total..... 369.09

## Hollywood Blvd.

Taxes .....	480.64
Interest .....	437.50

---

918.14

Less Rentals ..... 35.79

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Total..... 882.35

## Observatory Ave.

Taxes .....	102.42
Repairs .....	1,040.29

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Total..... 1,142.71

## S. Side Sunset

Taxes .....	62.37
Less Rentals .....	5.06

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Total..... 57.31

## ITEM 5 (Cont.)

## Rentals

Laughlin Park

Fertilizer .....	48.50	48.50
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Total.....		3,557.21
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N. Side Sunset

Tax Refund .....	41.48	41.48
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Excess of Carrying Chgs. over Income.....		\$3,515.73
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[853]

## ITEM 7

## Dividends Received

Bancitaly	\$ 866.32
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Bank of Italy	1,245.00
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Central Investment Co.	7.00
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C. B. de Mille Productions	40,600.00
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Standard Oil of N. J.	150.00
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White Sewing Machine	100.00
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L. A. Speedway	6,300.00
----------------	----------

International Combine Engine	175.00
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Bank of America	58.50
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Total	\$49,501.82
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## Income from Minor Child

Bank of Italy	220.00
Bancitaly	96.32
Bank of America	4.50
Elias Katz	20.00
Baltimore and Ohio Railway	12.00
Penn. Railway	12.28
St. Louis and S. F.	16.00
Kennicott Copper	15.75

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Total 396.85

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Total \$49,898.67

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[854]

## ITEM 9 (a)

## Royalties Received

Ten Commandments	\$ 31.57
Genius	25.68
Aunt Mary	219.38
King of Kings	135.81
Godless Girl	250.00

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Total \$ 662.44

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## ITEM 11

## Interest Paid

Security Trust Note for \$10,000.00	\$ 378.23
Bancitaly—Subscription to Stock of B. of I.	191.74
Bancitaly—Subscription to Stock of B. of A.	111.39
Accrued Interest on Bond	.59
Interest on deferred Income Tax 1923	1,307.78
	<hr/>
Total	\$1,989.73
	<hr/>

## ITEM 12

## Taxes Paid

Federal—Show	\$ 20.00
Federal—Club	36.50
Federal—Tickets	8.90
Federal—Stamps	.10
State—Truck	(10.00)
State—Gas	110.95
State license	34.00
City & Co. N. East Sub.	33.65
Co.—Paradise	497.95
Co.—Big Bear	34.52
City & Co.—Personal Property	1,774.65
	<hr/>
Total	\$2,541.22
	<hr/>



## ITEM 14

## Bad Debts

W. T. Wyatt	\$ 100.00
Z. Lory	300.00
N. Kildare	250.00
A. Elter	1,092.50
A. Charlbon	50.00
Wm. Sherer	225.00
M. Salvine	100.00
S. G. Ponty	110.00
Maggie Mofford	26.83
B. Johns	50.00
Geo Ellis	5.00
Calif. Air Construction	53,150.00
American Magnesium	5,500.00
	<hr/>
Total	\$60,959.33
	<hr/>

## ITEM 15

## Donations

Community Chest	\$5,059.85
Xmas Dinner Fed. Assn.	10.00
American Red Cross	897.50
Catholic Church	25.00
Authors League	2.00
Maternity Hospital	25.00
St. Erne Hospital	50.00
Mt. Olive Baptist Church	10.00
Humane Trapping	10.00
American Church	100.00
Motion Picture Relief Assn.	20.00
Tuberculosis Assn.	2.00
National Jewish Hospital	50.00
Jewish Relief Consumption	100.00
Public Parks and Playgrounds	150.00
China Famine Relief	50.00
Al Malikah Hospital	7.00
Downing Shafner Inst. for Girls	250.00

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\$6,818.35

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[856]

## ITEM 16

## Sundry Expenses

## Dues and Subscriptions

Redwood	2.00
Academy of Motion Picture Assn.	40.00
Masquers	75.00
Lambs	19.25
Writers	30.00
American Forest	4.00

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Total \$ 170.25

## Depreciation

Kitchen	56.63
Office	5,257.47
Buick	103.76
Ford	141.75

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Total \$5,559.61

## Publicity

Previewing	38.00
Trophies	124.00
Engraving	250.00

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Total 412.00

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Total \$6,141.86

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## ITEM 6

## PROFIT ON SALE OF STOCKS AND BONDS

No. Shares		Sale Price	Cost Price	Loss	Gain
10	Coml. Natl. Bank	2,250.00	1,600.00		650.00
14/40R.	Bank of America	55.20	.....		55.20
10	American Investigative	1.00	1,000.00	999.00	
	Interest		12.18	12.18	
				<u>1,011.18</u>	<u>705.20</u>
				705.20	
	Net Loss.....			305.98	

[857]

(Individual's Return)

# INDIVIDUAL INCOME TAX RETURN

FOR NET INCOMES FROM SALARIES OR WAGES OF MORE THAN \$5,000  
AND INCOMES FROM BUSINESS, PROFESSION, RENTS, OR SALE OF PROPERTY

## For Calendar Year 1929

Do Not Write in These Spaces

Case No. 112  
Serial Number 302811  
(Caulker's Stamp)

This Return With the Collector of Internal Revenue for Your District on or Before March 15, 1930

PRINT NAME AND ADDRESS PLAINLY BELOW

CECELIA B. DE MILLE  
(Name)

METRO-GOLDWYN-MAYER STUDIO  
(Give full number, or rural route)

CULVER CITY  
(Post office)

CALIFORNIA  
(State)

Occupation MOTION DIRECTOR AND PRODUCER

Cash Check M.O. Cert. of Ind. First Payment  
\$ 7.11  
\$ 0.00  
\$ 0.00  
As of Call

- Are you a citizen or resident of the United States for 1929, to what Collector's office was it sent?
- In this a joint return of husband and wife?
- State name of husband or wife if separate return was made and the collector's office through which you sent it.

YES

6TH CALIF.

NO

CONSTANCE A DE MILLE

6TH CALIF.

- Were you married and living with husband or wife on the last day of your taxable year?
- If not, were you on the last day of your taxable year supporting in your household one or more persons closely related to you?
- If your status in respect to questions 1 and 2 changed during the year, state date when husband or wife) under the same of one taxable of self-supporting you on that day of your taxable year?

YES  
X  
X  
2

### INCOME

- Salaries, Wages, Commissions, etc. (State name and address of employer)

CECELIA B. DE MILLE PRODUCTIONS INC \$ 170,500.00 10669.36

OF MY WIFE'S SALARY RETURNED AS COMMUNITY INCOME 22 100.00

Income from Business or Profession, (from Schedule A) \$ 13,126.29

Interest on Bank Deposits, Notes, Corporation Bonds, etc. (except interest on tax-free covenant bonds)

Interest on Tax-free Covenant Bonds-Upon Which a Tax was Paid at Special SALT LAKE TERMINAL 4 512.35

Income from Partnerships. (State name and address)

DIRECTORS FEES FROM OTHER CORPORATIONS Total \$ 60.00

Income from Fiduciaries. (State name and address)

A. G. KING-ARIZONA CONTRACT \$ 332.34

Profit from Sale of Real Estate, Stocks, Bonds, etc. (from Schedule B)

Profit from Sale of Real Estate, Stocks, Bonds, etc. (from Schedule B) \$ 512.24

Taxable Interest on Liberty Bonds, etc. (from Schedule C)

Other Income (including dividends on stock of foreign corporations) (State name of source)

(a) LIQUIDATING DIVIDEND OF LOS ANGELES SPEEDWAY 3 653.23

(b) MANUSCRIPT 50.00 DISCOUNT ON LOAN 750.00 39 062.15

Interest Paid OTHER THAN ON REAL ESTATE \$ 7 238.97

Taxes Paid. (Explain in Schedule F) OTHER THAN ON REAL ESTATE 1 415.52

Losses by Fire, Storm, etc. (Explain in table at foot of page 2)

Losses by Fire, Storm, etc. (Explain in table at foot of page 2) 1 895.91

Contributions. (Explain in Schedule F)

Other Deductions Authorized by Law. (Explain in Schedule F) MY SALARY RETURNED BY WIFE 8 290.02

Net Income (Item 12 minus Item 10) \$ 65 250.00

Net Income (Item 12 minus Item 10) \$ 34 084.42

Net Income (Item 12 minus Item 10) \$ 126 014.05

### EARNED INCOME CREDIT

- Earned Income (not over \$30,000) \$ 30,000.00
- Less Personal Exemption and Credit for Dependents \$ 2,150.00
- Balance (Item 21 minus 22) \$ 27,850.00
- Amount taxable at 1 1/2% (not over \$4,000) \$ 4,000.00
- Amount taxable at 3% (not over \$8,000) \$ 4,000.00
- Amount taxable at 5% (balance over \$8,000 of Item 23) \$ 1,985.00
- Normal Tax (1 1/2% of Item 24) \$ 20.00
- Normal Tax (3% of Item 25) \$ 60.00
- Normal Tax (5% of Item 26) \$ 79.40
- Surtax on Earned Net Income (total of Items 26, 27, 28, and 29) \$ 1,774.00
- Ordinary 26% of Tax (not over 25% of Items 30, 44, 45, and 46) \$ 443.50

- Net Income (Item 20 above) \$ 26,014.05
- Less: Dividends (Item 9) \$ 29,062.15
- Interest on Liberty Bonds, etc. (Item 10)
- Credit for Dependents 800.00
- Personal Exemption 1,350.00
- Total of Items 24 to 37 \$ 41,212.15
- Balance (Item 38 minus 38) \$ 6,801.90
- Amount taxable at 1 1/2% (not over \$4,000) 4,000.00
- Balance (Item 39 minus 40) \$ 8,061.90
- Amount taxable at 3% (not over \$4,000) 4,000.00
- Amount taxable at 5% (Item 41 minus Item 42) \$ 7,680.19

### COMPUTATION OF TAX (See Instruction 2)

- Normal Tax (1 1/2% of Item 40) \$ 20.00
- Normal Tax (3% of Item 42) 90.00
- Normal Tax (5% of Item 43) 3,072.08
- Surtax on Item 20 (see Instruction 23) 1,985.81
- It on Net Income (total of Items 26, 27, 28, and 29) \$ 2,003.189
- Tax on Capital Gain or Loss (12% of Col. 8, Sched. D) 115.98.64
- Total of difference between Items 48 and 49 \$ 21,563.53
- Less Credit of 28% of Tax on Earned Income (Item 32) 443.50
- Total Tax (Item 60 minus 61) \$ 31,120.02
- Less Income Tax Paid at Source 30
- Income Tax paid to a foreign country (Item 62) 30
- Total of difference between Items 63 and 64 \$ 31,119.73

### AFFIDAVIT

I swear (or affirm) that this return, including the accompanying schedules and statements, has been examined by me, and to the best of my knowledge and belief, is a true and complete return made in good faith for the taxable year stated, pursuant to the Revenue Act of 1928 and the Regulations issued there under.

If return is made by agent, his reason therefor must be stated on this line

Sworn to and subscribed before me this 11 day of February, 1930.

NOTARIAL SEAL

(Signature of officer administering oath)

(Title)

Checks and drafts will be accepted only if payable at par (Address of return)





SCHEDULE A—INCOME FROM BUSINESS OR PROFESSION (See Instruction 2)

[Not filled out.]

SCHEDULE B—INCOME FROM RENTS AND ROYALTIES (See Instruction 7)

See Schedule Attached

SCHEDULE C—PROFIT FROM SALE OF REAL ESTATE, STOCKS, BONDS, ETC. (See Instruction 8)

See Schedule Attached

SCHEDULE D—CAPITAL NET GAIN OR LOSS FROM SALE OF ASSETS HELD MORE THAN TWO YEARS (See Instruction 8a)

1 Kind of Property—Stock	2 Date		3 Date Sold	4 Amount Received	5 Depreciation Allowable Since Acquisition	6 Cost or Value as of March 1, 1913, Whichever Greater	7 Subsequent Improvements, and Capital Deductions	8 Net Gain or Loss (Enter 12/1/29 as Item 49)
	Acquired	Mo. Day Year						
C. B. De Mille Prod.....	6-10-22	.....	.....	\$ 600.00	\$	\$ 131.25	\$	\$ 468.75
Pathe Exchange .....	4-24-25	.....	.....	71,262.65	.....	2,706.27	.....	68,556.38
Transamerica .....	8-31-24	.....	.....	31,135.00	.....	7,931.02	.....	23,203.98
TOTALS.....				\$102,997.65	.....	\$10,768.54	.....	\$92,229.11

SCHEDULE E—INTEREST ON LIBERTY BONDS AND OTHER OBLIGATIONS OR SECURITIES

(See Instruction 10)

1. Obligations or Securities	2. Interest Received or Accrued	3. Amount Owned	4. Principal Amount Exempt From Taxation	5. Amount Owned in Excess of Exemption	6. Interest on Amount in Excess of Exemption (Enter as Item 10)
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia	\$2,203.93	\$31,000.00	All	X X X X X X X X	X X X X X X X X
(b) Securities issued under Federal Farm Loan Act or as Amended, and Certificates of Indebtedness issued after June 17, 1929	176.55	5,000.00	All	X X X X X X X X	X X X X X X X X
(c) Liberty 3½% Bonds and other obligations of United States issued on or before September 1, 1917, and obligations of U. S. possessions	364.35	10,000.00	All	X X X X X X X X	X X X X X X X X
(d) Liberty 4% and 4¼% Bonds, Certificates of Indebtedness issued before June 18, 1929, Treasury Bonds and Savings Certificates	11.21	1,000.00	\$5,000	\$	\$
(e) Treasury Notes	None	None	None	None	None

SCHEDULE F--EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 1, 14, 16, 17, AND 18

See Schedule Attached

EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES A AND B

See Schedule Attached

EXPLANATION OF DEDUCTION FOR LOSSES BY FIRE, STORM, ETC., CLAIMED IN SCHEDULE A, AND IN ITEM 15

None

[859]

## ITEM #1

## Schedule of Business Expenses

Messenger's Salary	2,330.00	
Less 1.2 for Personal	1,165.00	1,165.00
		<hr/>
Rent of Office		1,100.00
Rent of Safety Box		15.00
Studio Expense		102.12
Automobile Expense		
Gas-Oil-Tires-Repairs	378.94	
1/2 Loss on sale Buick	74.19	
“ “ Ford	88.76	
1/2 Dep. Buick	135.11	
“ “ Ford	73.56	750.56
		<hr/>
Office Expense		
Stationery	51.99	
Postage	10.00	
Auditing	590.00	
Tel. & Tel.	238.23	
Insurance F. & F.	353.27	1,243.49
		<hr/>
Previewing		96.30
Research		197.50
Flowers		49.00
Legal Expense		546.90
Depreciation		
Furn. & Fix.	5,248.36	
Kitchen equip.	56.63	5,304.99
		<hr/>
Dues & Subscriptions		
Film Daily	10.00	
Literary Digest	4.00	
Holly Daily Screen	8.00	
Exhibitors Review	10.00	
Unity School	1.50	
Academy of MPA&S	65.00	98.50
		<hr/>
Total Business Expense		10,669.36



## ITEM #3

## Schedule of Interest Received

Banks			
Bank of Italy—CC Gen.	583.91		
“ CC Sav	142.52		
“ Holly-Gen.	387.20		
Sec. Tr. & Sav.—Holly	29.25	1,142.88	
Bonds—Foreign			
Czecko-Slovakia	96.90		
Midi RR of France	57.55		
Rep. of Brazil	19.12		
Rep. of Poland	.56		
	174.13		
Rep. of Bolivia	12.00	162.13	
Notes			
S. A. Claggett	786.08		
C. B. deMille Prods.	2,213.30		
Jack Fife	1.96		
A. G. King	3.00		
Gladys Rosson	3.00	3,007.34	
Total interest			<u>4,312.35</u>

Note: Domestic Corp. having Tax Free covenant clause not included.

[861]

## ITEM #7

## Schedule of Royalties Received

King of Kings	227.54		
Royal Mounted	1.28		
Rej. of Aunt Mary	302.10	530.92	
Less 10 Commandments		18.68	
Total Royalties			<u>512.24</u>

## ITEM #8

## Schedule of Profit on Sale of Real Estate and Stocks

Real Estate	Cost	Selling	Loss	Profit	Net Profit
Hollywood Blvd. lot .....	.....	.....	.....	.....	2,922.32
Stock					
1/40 Bank of America.....	.....	5.25	.....	5.25	.....
1 White Sewing Mach. Co.....	5,422.50	4,874.85	547.65	.....	.....
			547.65	5.25	.....
			5.25	.....	542.40
Bonds					
67-M Roosevelt Irri. Dist.....	56,950.00	58,230.00	.....	1,280.00	.....
5-M U. S. Treasury Cert.....	4,996.49	5,000.00	.....	3.51	.....
100-L U. S. of Brazil.....	255.00	244.80	10.20	.....	.....
			10.20	1,283.51	.....
			10.20	10.20	1,273.31
					3,653.23
					<u>3,653.23</u>

Total profit on sales other than capital gain

[862]

ITEM #9

Schedule of Dividends Received

Bank of America	111.35	
Bank of Italy	761.00	
Central Invest. Corp.	7.00	
Cecil B. deMille Prods.	34,791.00	
Interl. Comb. Engine	712.50	
Otis Steel	350.00	
Standard Oil of N. J.	187.50	
Transamerica	2,041.80	
White Sewing Mach.	100.00	39,062.15

Note: L. A. Speedway Dividend is Liquidating and appears as Item 11 (a).

ITEM #13

Schedule of Interest Paid

Bank of Italy		
Cal. Air Constr. Note	3,271.36	
28 shares of Bank of America	29.48	
Roosevelt Loan	388.75	3,689.59
Bancitaly		
28 shares of Bank of America	268.23	
Security Trust & Svc. Bank		
100,000.00 loan	2,099.14	
Hancock Life Ins. Co.		
Policy #467669	340.64	
Travelers Life Ins. Co.		
Policy #343308	670.00	
Republic of Peru		
Bonds	60.67	
U. S. Treasury		
Deferred Tax	76.81	
E. F. Hutton & Co.		
Margin a/c	3.30	
Geo. H. Flebbe		
Margin a/c	24.59	3,543.38
Total, other than on Real Estate		7,232.97

ITEM #14  
Schedule of Taxes Paid

State Tax		
Gasoline	93.98	
Auto License	74.96	168.94
Federal		
Clubs	46.90	
Admission	1.00	
Duty on Import	845.60	
Stamp tax	2.42	895.92
City and County		
Personal property		350.66
Total taxes other than on real estate		1,415.52

ITEM #16

Schedule of Real Estate Carrying Charges

Argyle Ave.		
Taxes	815.23	
St. Light	17.62	
Depreciation	279.08	
	1,111.93	
Rent	725.00	386.93
Franklin Ave.		
Taxes		370.27
Hollywood Blvd.		
Taxes	443.43	
Interest	91.48	
St. Lighting	16.82	
	551.73	
Sign rent	30.00	521.73

Observatory Ave.		
Taxes		115.37
Sunset & Cahuenga		
Taxes	22.26	
Interest	3.90	26.16
	<hr/>	
North Est. Subd.		
Taxes		34.51
Paradise Ranch		
Taxes		466.37
Big Bear Valley Lot		
Taxes		35.55
		<hr/>
		1,956.89
Encino Ranch		
Taxes	163.82	
Interest	560.00	
Depreciation	288.80	
	<hr/>	
	1,012.62	
Less rentals	1,073.60	60.98
	<hr/>	<hr/>
Total Real Estate carrying charges		1,895.91
		<hr/> <hr/>
		[864]



## ITEM #17

## Schedule of Contributions

Army & Navy Marine Assn.	2.00
Assn. of Highway Patrolmen	2.50
Authors League	2.00
Al Malaikah Hospital	2.00
American Natl. Church	100.00
American Forestry	8.00
Benefit Performance Deaf	10.00
Community Chest	3,762.92
Children's Hospital	133.60
Cynthia Gray Xmas Fund	10.00
Downing Schofner, Inst.	250.00
Hollywood Hospital Assn.	2,500.00
Holland Society of N. Y.	8.00
Inter. America Foundation	100.00
Loyola University	100.00
L. A. Fire Dept.	2.50
L. A. County Conservation	25.00
L. A. Tuberculosis Assn.	2.00
Motion Picture Relief Fund	460.00
Nat. Aeo Assn.	10.00
Old Dutch Houses	50.00
Parks & Playgrounds	150.00
Reserve Officers Assn.	53.00
Save the Redwoods League	4.00
Save Old Ironsides	30.00
Studio Carpenters Assn.	7.50
Shrine Fund	5.00
Temple of Israel	100.00
U. S. Forest Service	150.00
United Jewish Welfare	250.00

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 Total contributions

8,290.02

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 [865]

# INDIVIDUAL INCOME TAX RETURN

FOR NET INCOMES FROM SALARIES OR WAGES OF MORE THAN \$5,000  
AND INCOMES FROM BUSINESS, PROFESSION, OR SALE OF PROPERTY

## For Calendar Year 1930

File This Return With the Collector of Internal Revenue for Your District on or Before March 15, 1931

Do Not Write in These Spaces

File No. **772**  
Serial Number **303523**  
District **000000**  
WITNESS MY HAND  
MAR 16 1931  
Call. of Inv. by **14**  
City Div. **14**  
Check. **14** M.D. **14** Cert. of Ind. **14**  
City **14** Post. **14**

PRINT NAME AND ADDRESS PLAINLY BELOW  
**CECIL B. DE MILLE**  
**SULVER CITY** (Post office)  
**LOS ANGELES** (County)  
**CALLIE** (Name)  
Occupation **MOTION PICTURE DIRECTOR AND PRODUCER**

1. Are you a citizen or resident of the United States? **YES**  
2. If you filed a return for the year 1929, in that Collector's office was it sent? **LOS ANGELES**  
3. Did you have a joint return with your husband or wife? **NO**  
4. Was your husband or wife if a constable, collector of taxes, or a constable's office where it was sent. **LOS ANGELES**  
5. Were you married and living with husband or wife on the last day of your taxable year? **YES**  
6. In your household on the last day of your taxable year, were there any other persons supporting you? **X**  
7. If your status in respect to questions 5 and 6 changed during the year, state date and nature of change. **X**  
8. How many dependent persons (other than husband or wife) under 18 years of age or incapable of self-support were receiving their chief support from you on the last day of your taxable year? **TWO**

2150.00 OF THE PERSONAL EXEMPTION IS CLAIMED BY THE WIFE

1. Salaries, Wages, Commissions, etc. (State name and address of employer)	<b>CECIL B. DE MILLE PRODUCTIONS, INC</b>	\$25,500.00	\$9,047.06	86	452.94	
2. Fees from Bank Board of Directors	<b>PUBLICATION OF ARTICLES</b>			20.00		
3. Income from Business or Profession. (From Schedule A)				75.00		
4. Interest on Bank Deposits, Notes, Corporation Bonds, etc. (except interest on tax-free covenant bonds)				4	162.76	
5. Interest on Tax-free Covenant Bonds Upon Which a Tax was Paid at Source				60.00		
6. Income from Partnerships. (State name and address)						
7. Income from Fiduciaries. (State name and address)						
8. Rents and Royalties. (From Schedule B)					208.81	
9. Profit from Sale of Real Estate, Stocks, Bonds, etc. (From Schedule C)					7	794.24
10. Dividends or Interest on Liberty Bonds, etc. (From Schedule D)					33	916.33
11. Other Income (including dividends on stock of foreign corporations). (State nature of income)					21	625.00
12. Total Income in Items 1 to 11					24	000.00

13. Interest Paid

14. Taxes Paid. (Explain in Schedule F)

15. **MY WIFE'S SALARY AS COMMUNITY INCOME**

16. Bad Debts. (Explain in Schedule F)

17. Contributions. (Explain in Schedule F)

18. Other Deductions Authorized by Law. (Explain in Schedule F)

19. Total Deductions in Items 13 to 18

20. Net Income (Item 12 minus Item 19)

21. Earned Income (not over \$30,000) **10,000.00**

22. Less Personal Exemption and Credit for Dependents **2,150.00**

23. Balance (Item 21 minus 22) **7,850.00**

24. Amount taxable at 1 1/2% (not over \$4,000) **6,000.00**

25. Amount taxable at 3% (not over \$4,000) **4,000.00**

26. Amount taxable at 5% (balance over \$8,000 of Item 23) **1,950.00**

27. Normal Tax (1 1/2% of Item 24) **60.00**

28. Normal Tax (3% of Item 25) **120.00**

29. Normal Tax (5% of Item 26) **92.50**

30. Surtax on Item 21 **890.00**

31. Tax on Earned Net Income (total of Items 27 to 30) **2,052.50**

32. Credit of 26% of Tax (not over 26% of Items 24, 25, and 26) **354.67**

33. Total Tax **3,447.36**

34. Balance of Tax (not over \$100) **1.20**

35. Total Tax **3,448.56**

36. Total Tax (Item 33 plus Item 35) **3,447.36**

37. Normal Tax (1 1/2% of Item 40) **60.00**

38. Normal Tax (3% of Item 42) **120.00**

39. Normal Tax (5% of Item 43) **358.68**

40. Tax on Capital Gains or Losses (12 1/2% of Col. 8, Rowed D) **3141.20**

41. Total of or Difference between Items 40 and 49 **3673.88**

42. Less Credit of 26% of Tax on Earned Income (Item 32) **123.35**

43. Total Tax (Item 41 minus 42) **3603.23**

44. Balance of Tax (not over \$100) **354.67**

45. Total Tax (Item 43 plus Item 44) **3448.56**

46. Less Income Tax Paid at Source **1.20**

47. Income Tax Paid to a foreign government in full satisfaction of U.S. tax liability (Item 62 minus Item 63 and 64) **1.20**

48. Total Tax (Item 45 minus 46 and 47) **3447.36**

COMPUTATION OF TAX (See Instruction 2)

33. Net Income (Item 20 above)	\$12,940.01
34. Liberty Bond Interest (Item 9)	
35. D (Item 10)	2916.33
36. Credit for Dependents	800.00
37. Personal Exemption	1350.00
38. Total of Items 34 to 37	3606.63
39. Balance (Item 33 minus 38)	4517.68
40. Amount taxable at 1 1/2% (not over \$4,000)	4000.00
41. Balance (Item 39 minus 40)	4117.68
42. Amount taxable at 3% (not over \$4,000)	4000.00
43. Amount taxable at 5% (Item 41 minus 42)	7173.68

44. Normal Tax (1 1/2% of Item 40) **60.00**

45. Normal Tax (3% of Item 42) **120.00**

46. Normal Tax (5% of Item 43) **358.68**

47. Surtax on Item 20 (see Instruction 2)

48. Tax on Net Income (total of 47 plus 37)

49. Tax on Capital Gains or Losses (12 1/2% of Col. 8, Rowed D)

50. Total of or Difference between Items 48 and 49

51. Less Credit of 26% of Tax on Earned Income (Item 32)

52. Total Tax (Item 50 minus 51) **3448.56**

53. Less Income Tax Paid at Source

54. Income Tax Paid to a foreign government in full satisfaction of U.S. tax liability (Item 62 minus Item 63 and 64)

55. Total Tax (Item 52 minus 53 and 54) **3447.36**

I swear (or affirm) that this return, including the accompanying schedules and statements, has been examined by me, and to the best of my knowledge and belief, is a true and complete return made in good faith for the taxable year stated, pursuant to the Revenue Act of 1928 and the Regulations issued thereunder.

Sworn to and subscribed before me this **15th** day of **MAY**, 1931.

NOTARIAL SEAL

NOTARY PUBLIC

My Comm. (Exp.)

An amended return must be marked "Amended" at top of return

Checks and drafts will be accepted only if payable at par



SCHEDULE A—INCOME FROM BUSINESS OR PROFESSION (See Instruction 2)

[Not filled out]

SCHEDULE B—INCOME FROM RENTS AND ROYALTIES (See Instruction 7)

See Schedule Attached

SCHEDULE C—PROFIT FROM SALE OF REAL ESTATE, STOCKS, BONDS, ETC. (See Instruction 8)

[Not filled out]

SCHEDULE D—CAPITAL NET GAIN OR LOSS FROM SALE OF ASSETS HELD MORE THAN TWO YEARS (See Instruction 8a)

See Schedule Attached

SCHEDULE E—INTEREST ON LIBERTY BONDS AND OTHER OBLIGATIONS OR SECURITIES

(See Instruction 9)

[Not filled out]

SCHEDULE F—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 1, 14, 16, 17, AND 18

See Sundry Schedules Attached

EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES A AND B

[Not filled out]

EXPLANATION OF DEDUCTION FOR LOSSES BY FIRE, STORM, ETC., CLAIMED IN SCHEDULE A, AND IN ITEM 15

[Not filled out]

## ITEM NO. 1

## BUSINESS EXPENSE

Salaries		
½ Messenger and Valet		\$1,285.00
Rent		
Office at Home	\$1,300.00	
Safety Box	15.00	1,315.00
	<hr/>	
Office Expense		
Auditing—Day	200.00	
Tele. & Tele.	116.85	
Photophone	70.27	
Flowers	35.00	
Bank Charges	1.10	
Stationery & Recording	2.00	
Depreciation		
Office Furniture & Fixtures	5,249.80	
Kitchen Equipment	56.63	5,731.65
	<hr/>	

## AUTO EXPENSE

Locomobile		
Repairs and Maintenance	149.87	
Insurance	53.34	
Buick		
Repairs and Maintenance	78.88	
Tires	38.67	
Depreciation ½ for Business	188.65	509.41
	<hr/>	
Reviewing		
Theatre Tickets		6.00

## PUBLICITY

Advertising	100.00	
Bass Medal	100.00	200.00
	<hr/>	<hr/>

TOTAL BUSINESS EXPENSE

\$9,047.06

[868]



## ITEMS NO. 3 AND 4

## INTEREST RECEIVED

## NOTES

Adams, E. K.	15.00	
Claggett, S. A.	138.30	
Deaver, V. W.	116.67	
deMille, C. B. Prod.	1,843.67	
King, A. G.	9.00	
Rosson, Gladys	12.00	\$2,134.64

## BANK ACCOUNTS

Bank of Italy—CC Gen.	1,557.39	
“ “ “ “ Sav.	85.00	
“ “ “ Hollywood	268.04	
Sec. Tr. & Sav. Bank	57.74	1,968.17

## BONDS—CORPORATION

Salt Lake Terminal		60.00
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## BONDS—FOREIGN

Midi Ry. of France	57.85	
Republic of Poland	2.10	59.95

Total Interest Received—Taxable		\$4,222.76
		[869]

## ITEM NO. 7

## ROYALTIES

## PLAYRIGHTS

AUNT MARY	\$151.87	
THE GENIUS	38.43	
ROYAL MOUNTED	.27	\$190.57

## PICTURES

THE KING OF KINGS	6.74	
THE TEN COMMANDMENTS	11.50	18.24

TOTAL ROYALTIES RECEIVED		\$208.81
		[870]

## ITEM NO. 8

## STOCKS HELD LESS THAN TWO YEARS

## STOCK

Bendix Corporation	(\$1,129.45)
Hutton Margin	( 17.71)
Intercoast Trading	( 541.19)
International Combust. Eng.	( 5,551.50)
Richfield Oil Co.	( 413.90)
Transamerica	56.65

## BONDS

East Bay Municipal	(197.14)
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NET LOSS ON HOLDINGS OF  
LESS THAN TWO YEARS

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(\$7,794.24)

## ITEM NO. 10

## DIVIDENDS RECEIVED

Bank of America	\$ 126.00
Bendix Corporation	200.00
Central Investment Corp.	7.00
deMille, Cecil B. Prod.	30,418.50
Intercoast Trading	83.00
Lone Butte Farms	5.18
Otis Steel	525.00
Richfield Oil Co.	3.50
Standard Oil of N. J.	200.00
Transamerica	1,665.65
Vine St. Holding Co.	672.50
Universal Consolidated Oil	10.00

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TOTAL DIVIDENDS RECEIVED

\$33,916.33

[871]

## ITEM NO. 13

## INTEREST PAID (Other Than on Real Estate)

## BANK OF ITALY

Calif. Air Note		\$287.68
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## SECURITY TRUST &amp; SAV.

deMille Productions		1,843.67
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## INSURANCE

Hancock No. 467669	\$340.64	
Travelers No. 343308	670.00	1,010.64

TOTAL INTEREST PAID		\$3,141.99
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## ITEM NO. 14

## TAXES PAID (Other Than Real Estate Carrying Charges)

## CITY AND COUNTY

Personal Property	\$679.47	
Paradise Club	685.49	\$1,364.96

## STATE

Gasoline	137.58	
Auto License	65.50	203.08

## FEDERAL

## Clubs

Beach Club	9.00	
Calif. Yacht Club	4.80	
Hollywood Athletic Club	12.00	
Lambs Club	3.50	
Malibou	18.00	
Masquers	6.00	53.30

Admission		1.00
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TOTAL TAXES PAID		\$1,622.34
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[872]

## ITEM NO. 15

## REAL ESTATE—Carrying Charges

## ARGYLE AVENUE

Taxes	\$683.21	
St. Lighting	14.21	
Insurance	3.00	
Depreciation	279.08	\$979.50

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## FRANKLIN AVENUE

Taxes	235.55
Depreciation	255.97

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491.52

Rentals—Mrs. Adams	(1,200.00)	(708.48)
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## GRACIOSA DRIVE

Taxes	81.54
Interest	428.73
Repairs	135.75
Recording	3.25
Depreciation	150.00

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799.27

## Rentals

Foy	(112.50)	
Strobel	(399.88)	(512.38)
		286.89

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## NORTH EST. SUB.

Taxes	70.05	
Depreciation	3.50	73.55

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## OBSERVATORY AVENUE

Taxes		112.07
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## SUNSET &amp; CAHUENGA

Taxes	19.16
Interest on Bonds	14.96

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Rent of Sign Board	(1.23)	32.89
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ENCINO HORSE RANCH

Taxes	262.77	
Interest	560.00	
Insurance	47.80	
Depreciation	343.80	
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	1,214.37	
Rental—Jefferson	(1,225.00)	(10.63)

NET REAL ESTATE CARRYING CHARGE \$765.79  
[873]

ITEM NO. 16

BAD DEBTS

Calif. Air Const. Co.	\$53,661.08
Grosbeck, Dan	200.00
Moffard, Maggie	5.00
Elmer, Wm.	100.00
Marc, Agnes	50.00
Murray, Jas.	521.92
McIvar, Louise	35.00
Russel, Harry	200.00

TOTAL BAD DEBTS \$54,773.00  
[874]

ITEM NO. 17

CONTRIBUTIONS

Motion Picture Organizations

Academy of M. P. Arts & Science	60.00	
Motion Picture Relief Fund	1,530.00	
National Vaudeville Assn.	1,000.00	\$2,590.00

Charitable Assns.

Community Chest		3,125.00
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Hospitals

Al Malaikah Temple—Hospital	12.00	
Children's Hospital	100.00	
Duarte Sanitarium	50.00	
L. A. County Tuber. Hospital	2.00	164.00



## Schools

Downing-Shofner Institute	125.00	
Immaculate Heart College	100.00	
Loyola University—Arts Bldg.	1,000.00	
Mooseheart School for Boys	25.00	1,250.00

## Churches

St. Paul's Presbyterian Church		100.00
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## Xmas Funds

Al Malaikha Temple	5.00	
Beach Club	2.50	
Breakfast Club	10.00	
Cynthia Gray	10.00	
Hollywood Athletic Club	5.00	
L. A. Examiner	10.00	
Masquers Club	5.00	
Tuna Club (Xmas baskets)	100.00	147.50

## Municipal

Army and Navy Assn.	2.00	
Calif. Conservationists	100.00	
Calif. Motor Officers	100.00	
Culver City Police	19.00	
Fish & Game Protection	50.00	
Inter-America Foundation	100.00	
Metro. Bridle Paths	100.00	
National Society of Audubon	5.00	
Pacoima Chamber of Commerce	25.00	
Reserve Officers Assn.	53.50	
Save the Trees	1.00	
Save Old "Ironsides"	15.00	
Veterans of Sawtelle	10.00	580.50

TOTAL CONTRIBUTIONS

\$7,957.00

[875]

## SCHEDULE D

## STOCKS HELD OVER TWO YEARS

Stock	Bought	Sold	
Bank of America	4/20/1928	7/16/1930	(\$1,343.98)
Pathe Exchange	4/24/1925	6/23/1930	2,186.01
Bonds			
L. A. School Dist.	2/11/1926	5/22/1930	(15.24)
Midi Ry. of France	2/11/1926	12/30/1930	224.03
San Fran. City Hall	2/11/1926	5/22/1930	(31.20)
Whittier School	2/11/1926	5/22/1930	(32.80)

NET CAPITAL GAIN ON HOLDINGS OVER  
TWO YEARS

\$986.82

[876]

## PETITIONER'S EXHIBIT 9.

[Endorsed]: Admitted in evidence Dec. 14, 1933.

THIS AGREEMENT made this 13th day of February, 1925, by and between

CINEMA CORPORATION OF AMERICA, a Delaware corporation with an office at 469 Fifth Avenue, New York City, (herein sometimes called the "Parent Corporation") and

CECIL B. DE MILLE PICTURES CORPORATION, a corporation organized under the laws of the State of Delaware (herein sometimes called "The Subsidiary", said two corporations being the parties of the first part and herein sometimes referred to as the "Companies", and each of said Companies having an office at 469 Fifth Avenue, New York City; and

CECIL B. DE MILLE PRODUCTIONS, INC., a corporation organized and existing under and by

virtue of the laws of the State of California and having an office at Los Angeles, California, and

CECIL B. DE MILLE, a resident of the City of Los Angeles, State of California (herein referred to as "Producer").

WITNESSETH:

WHEREAS, the Parent Corporation is engaged, among other things in the production, distribution and exhibition of motion pictures; and

WHEREAS, the Subsidiary Corporation is the owner of Studios in Culver City, California, used for the pro- [877] duction of motion pictures, which said studios are known and called "The Ince Studios", and the legal description of the real property composing the property of said studios is as follows:

Lots, 1, 2, 3, 4, 5, and 6, inclusive of Tract 2530 of Culver City, County of Los Angeles, State of California as per map thereof recorded in Book 35, page 10 of Maps in the office of the County Recorder of said Los Angeles County. Said property including approximately twelve and six-tenths (12.6) acres, and known as "The Ince Studios"; and

WHEREAS, all of the capital stock of said Subsidiary Corporation is owned by the Parent Corporation, and

WHEREAS, the Producer is and has been for several years last past engaged in the direction of the production of motion pictures, and

WHEREAS, the Parent Corporation contemplates the production of certain motion pictures and is desirous of securing the services of Producer in the making and production thereof, and

WHEREAS, a contract is now in existence between the Producer and the said Cecil B. deMille Productions, Inc. under and by virtue of which the Producer is required and obligated to perform his services for the said Cecil B. deMille Productions, Inc., and

WHEREAS, as a part of this transaction the said Cecil B. deMille Productions, Inc. has agreed to release and relinquish its rights to the services of the Producer in consideration of the payment of moneys and the performance of the other obligations herein set forth; [878]

NOW, THEREFORE, it is agreed as follows, the parties agree that the personal direction of a production by Cecil B. deMille and personal supervision of a production by Cecil B. deMille shall be defined as follows:

(a) Personal Direction, or a Personally Directed Production, or The Personal Direction of Cecil B. deMille, shall mean that Mr. deMille shall select the story, approve the continuity, approve the cast, supervise the photography, supervise cutting and titling and be in complete charge of the entire production of each such picture and do and perform such other acts generally and customarily performed by a director personally directing a motion picture.

(b) Supervision of a Production by Cecil B. deMille, a Supervised Production, or a Production Personally Supervised by Cecil B. deMille, shall mean that Mr. deMille shall approve the story and the treatment thereof; that he shall approve the cast thereof, select the director and approve the photoplay when completed and do and perform such other acts as are generally and customarily done and performed in supervising the production of motion pictures.

The Companies agree to produce at said studios of the companies at Culver City, California, not less than two nor more than four motion pictures during each year of the term of this agreement, which shall be personally directed by the Producer, and the Producer agrees to [879] personally direct the same, and in addition thereto, the Companies agree to produce at the said studios, during the first year of this agreement not less than eight nor more than ten additional motion pictures, and the Producer agrees to supervise the production of the same, and during the second year of this agreement, not less than eight nor more than sixteen motion pictures, the production of which shall be supervised by the Producer, and during the third year of this agreement, not less than eight nor more than twenty-two motion pictures, the production of which shall be supervised by the Producer, and during the fourth, and fifth years respectively of this agree-



ment, not less than eight nor more than fifty, motion pictures, the production of which shall be supervised by the Producer. The exact number of said productions in excess of the minimum number herein specified shall be mutually agreed upon between the Companies and the Producer from time to time.

The average negative cost of the pictures to be personally directed by the Producer during each year shall not exceed Four hundred thousand Dollars (\$400,000.00), nor shall any one of them exceed in negative cost the sum of Four hundred fifty thousand Dollars (\$450,000.00), unless the Companies and Producer agree in writing prior to or during the production of any one or more of said motion pictures that the negative cost of any one or more of such pictures shall exceed the sum of Four hundred and Fifty thousand Dollars (\$450,000) or that the average negative cost of such pictures may exceed the sum of Four Hundred Thousand Dollars (\$400,000). [880]

The average negative cost of the pictures to be supervised by the Producer during each year shall not exceed Two hundred thousand Dollars (\$200,000), nor shall the negative cost of any one of said productions exceed the sum of Two hundred and fifty thousand Dollars (\$250,000) unless either prior to or during the production of any one or more of said pictures the Companies and Producer shall agree in writing that the negative cost of such picture or pictures shall exceed the said

sum of Two hundred and fifty thousand Dollars (\$250,000) or that the average negative cost of such pictures shall exceed the sum of Two hundred thousand Dollars (\$200,000).

It is understood and agreed between the Companies and the Producer that the total cost of the above productions to be provided to be started in each year, as above, shall not exceed the following amounts: for the first year, Two million eight hundred thousand Dollars (\$2,800,000); for the second year Four million Two hundred thousand Dollars (\$4,200,000); for the third year Five million four hundred thousand Dollars (\$5,400,000); and for each of the fourth and fifth years the sum of Eleven million Dollars (\$11,000,000).

In any and all things wherein an annual period is referred to, during which a certain amount of financing is to be done on account of pictures to be produced during that year, or in connection with a number of pictures to be produced during any one year, the beginning of photographing of such productions within the said period of a year shall be sufficient for the purpose of this agreement.

The Companies agree to furnish and provide with- [881] in the limitations herein set forth, the amount or sums required for the production of each of said motion pictures as and when the same shall be required, and particularly shall furnish and provide the proposed cost of each of said pictures as shown by the budget, so that any and all liabilities and obligations of every kind incurred or required

to be incurred or paid in connection with the production of each of said pictures shall be paid and satisfied as and when the said liabilities and/or obligations mature.

Not less than twenty-four (24) days before the date set for the beginning of photography of any production covered by this agreement, Producer shall notify the Parent Corporation in New York City of the date fixed by him for the beginning of photography and shall with such notice deliver a detailed budget of cost of such production in form hereto annexed. The companies shall cause to be deposited to the credit of the Subsidiary Corporation in a special production account in a bank selected by them at Los Angeles, or Culver City, California, within ten (10) days after delivery to the Parent Corporation in New York City of the said budget of cost, the sum of Fifty thousand Dollars (\$50,000) for the payment of obligations incurred or to be incurred in the production of picture covered by budget of cost, if such picture be a picture to be personally directed by the Producer and similarly and for a similar purpose, the sum of Twenty-five thousand Dollars (\$25,000) if such budget cover a picture to be personally supervised by the Producer. On or before Wednesday of each week thereafter during each week of the [882] progress of each production, Producer shall notify the Parent Corporation in New York City in writing of requirements under the budget of cost for the week following, and the Parent Corporation shall

on Wednesday of such week following advance to the Subsidiary Corporation the amount so required. Such advances shall be continued weekly until the production shall be completed or until the Companies shall have advanced the sum indicated in the budget of cost as the proposed cost of such production; or until the maximum amount to be advanced by the Companies on account of such production shall have been advanced by the Companies or until the Companies shall have advanced the total sums called for hereunder to be advanced by them on account of the productions to be made in the year in which such production is started.

Producer agrees that the money furnished for each respective production shall be used only in paying the cost of such productions, nor shall any portion thereof be used in paying the cost of any other production, or for any other purpose.

It is understood and agreed that certain liabilities and obligations in connection with the pictures to be produced under the terms hereof will be necessarily incurred before the photographing of each of said pictures is actually commenced, and particularly that it will be necessary from time to time to purchase or otherwise acquire the motion picture rights to stories, scenarios and/or other literary compositions upon which the said motion pictures or some of them shall be based, and the companies agree to pay or furnish from time to time such [883] sums of money as shall be necessary in order to satisfy any and all liabilities and/or obligations



so incurred at their maturity, and in connection therewith the companies agree to establish and maintain during the term of this agreement a fund of One hundred thousand dollars (\$100,000) which said fund of One hundred thousand dollars (\$100,000) shall be used for the purpose of acquiring motion picture rights to the stories, scenarios, continuities or literary compositions above referred to. Not more than said sum of One Hundred thousand Dollars shall be paid out at any one time in the purchase of said material, nor shall any such motion picture rights for any single production be acquired or contracted for at a cost in excess of Fifty thousand Dollars (\$50,000), without the consent of the Board of Directors of the Parent Corporation or its Executive Committee; nor shall any contract or obligation be entered into by Producer for the purchase of motion picture rights which shall commit the companies to a total cash outlay at any one time in excess of One hundred thousand Dollars (\$100,000); nor shall the total purchase price of any such material on hand at any one time and not definitely assigned to a particular production, as hereinafter in this paragraph stated, exceed the sum of Two hundred thousand Dollars (\$200,000), provided that there shall not be included in such limitation the cost of any motion picture rights the payment for which is conditional upon the companies making a production, the production of which is optional with the companies. Any stories or motion picture rights which have been actually



used as the basis for a motion picture production and the cost [884] thereof has been advanced by Motion Picture Capital Corporation shall not be included within any of the above limitations.

It is agreed that Producer shall not contract for the purchase of any motion picture rights a part or all of whose purchase price is payable with or from the gross receipts or net profits of the picture based thereon, i.e., on a royalty basis, without the consent of the Board of Directors or of the Executive Committee of the Parent Corporation.

In addition to the said fund of One hundred thousand Dollars (\$100,000) to be provided by the companies, as above set forth, the companies shall provide a fund of Fifty thousand Dollars (\$50,000) at the commencement of operations for the purpose of carrying the overhead and general charges incurred at the studios of the companies in the production of motion pictures to be made under the terms hereof. The amount to be maintained in such fund thereafter shall be such amount as shall be from time to time agreed upon. Any and all such general charges shall be apportioned from time to time to the respective pictures produced by the companies and upon their being so apportioned, the amount of such apportionment shall be repaid into the said fund so to be established from the money otherwise provided for the payment of negative cost of each such picture; it being the intent and purpose of the companies and Producer that the said fund shall be maintained as a revolving fund.

The companies agree to maintain and operate continuously during the period of this agreement, said studios at Culver City, California, and formerly known as [885] The Ince Studios, for the purpose of producing, and to produce, thereat. the pictures to be made under the terms hereof, and agree to equip, repair and improve said studios from time to time as such repairs, improvements, and equipment in the judgment of the Producer shall be required, and in connection therewith the companies agree to employ and make available for the production of said pictures the necessary artists, artisans and employees and the necessary material and property of every kind necessary or required in the production of said pictures subject to limitations herein contained.

But no charges for capital expenditures under this paragraph shall be incurred by Producer in excess of Twenty-five thousand Dollars (\$25,000) in any one year without the consent of the Board of Directors or the Executive Committee of Parent Corporation.

The companies agree to establish and maintain an organization for the distribution of motion pictures to be produced under the terms hereof throughout the United States, with officers and salesmen in number and ability not less than the organization now maintained for the purpose of distributing motion pictures by the W. W. Hodgkinson Corporation and Producers Distributing Corporation and the companies shall distribute and

release for exhibition said motion pictures to be produced under the terms hereof through said organization throughout the United States within not more than three months from the date of completion of each of said motion pictures, and shall hereafter diligently and continuously license the exhibitors of said motion pictures in Theatres in and [886] throughout the United States in a manner best calculated to obtain the greatest possible revenue from the said pictures and each of them consistent with the best business practices.

In addition thereto the companies shall sell, lease, or otherwise dispose of the right to exhibit said motion pictures throughout the remainder of the entire world in such manner and on such terms as will secure from the said motion picture rights the greatest possible revenue, consistent with the best business practices. In the Production of each of said motion pictures there shall be made two negatives of each of said motion pictures and a different sample print from each of said negatives. The Companies shall furnish for use throughout the United States such a number of positive prints of the negative made for use in the United States as shall obtain the greatest possible revenue from the exhibition rights to each such picture.

The Producer shall be the Executive Head of the business and affairs of the Companies in California, subject in such executive position to the President and Board of Directors of the Parent Corporation, and he shall have complete and final authority in all

matters pertaining to the pictures to be produced hereunder and to all other pictures which the Companies or either of them may make at any time during the term hereof; it being understood that the Companies shall not engage either directly or through any other person or corporation in the production of motion pictures other than the production of those herein provided to be made under the Producer. Nothing herein contained however shall be construed to [887] abridge the rights and power of the Board of Directors or any officer or officers acting under the power of such Board of Directors, or the executive committee thereof, to contract or arrange for the production by independent or other producers of pictures to be distributed through the Parent Corporation or any other Subsidiary Corporation or corporations of the Parent Corporation whether such productions be financed in whole or in part by the Companies or either of them.

There shall be no person or officer of said Companies of equal or superior authority to the Producer in California, other than the President of the Parent Corporation, and no equal or superior officer or authority to that of Producer in any matters pertaining to the production of motion pictures hereunder, including the selection of stories or other literary compositions upon which the same shall be based wherever the same may be considered decided or carried out, and any and all decisions by the Producer in all matters of production shall be com-



plied with and carried out by the corporations subject to the number of productions, the cost thereof and the cost of motion picture rights therefor as herein set forth.

The Producer shall personally direct not less than two nor more than four motion pictures during each year of the term of this agreement at a cost in accordance with the conditions hereinbefore set forth, and shall supervise during the term of this agreement the pictures, the production of which it is hereinbefore provided shall be supervised by the Producer.

It is agreed that title to each production to [888] be made hereunder shall, at all times vest and remain in the Parent Corporation and that such title shall be free, clear and unencumbered at all times except by action taken under authority of the Board of Directors of the Parent Corporation.

The Producer shall not be required to render or perform any of the services required of him under the terms of this agreement elsewhere than in and about Culver City, California, and Los Angeles, California, with his headquarters at all times at said studios of the Company at Culver City, except in such instances as he shall be required to render or perform said services elsewhere on account of location in other places which are necessary for the artistic production of said pictures.

The Producer shall select the stories, compositions, or other literary material required from time to time, and plan the pictures to be made by the



Companies hereunder during each picture year, and secure by purchase, contract or otherwise said material and the necessary organization and articles for the production of the pictures herein provided for; all contracts for any of the above to be made in the name of the Parent Corporation or Subsidiary Corporation as the Parent Corporation shall from time to time determine. The Companies shall at all times furnish the funds necessary to satisfy the liabilities and/or obligations incurred in so doing, as and when the same shall be required, and shall pay and satisfy the said obligations and liabilities as they mature within the limitations herein. [889]

The Producer shall produce the pictures covered by this agreement within the costs herein fixed unless it shall be mutually agreed between the Producer and the Companies in writing that such costs shall be exceeded. Producer shall furnish to the Parent Corporation at its office in New York City, on or before December 1st in each year, beginning with the year 1925 a statement showing the number of productions to be personally directed and the number of productions to be personally supervised by him in the twelve (12) months beginning March 9th, in each year of the term hereof (except for the year beginning March 9, 1925 to and including March 8, 1926, in which it is understood twelve (12) productions shall be produced). He shall prepare a detailed budget of costs of each production in form hereto annexed as "Exhibit A" and submit the same in writing to the Parent Corporation not less

than twenty-four (24) days before the beginning of photography of any productions together with a statement as to the date upon which he proposes to begin photography of such production.

In so far as he is able he shall arrange insurance as required under contract with Motion Picture Capital Corporation when requested by the Parent Corporation; such insurance to be paid for by the Companies as a part of the production cost of each production to be financed by Motion Picture Capital Corporation under agreement of even date herewith.

He shall diligently prosecute the production of each production so supervised or personally directed by him and complete two negatives and sample prints of each of said productions and deliver same or first order of [890] prints thereof to the Parent Corporation by delivery to American Railway Express Company at Culver City, California, within four (4) months after the first advance made by Motion Picture Capital Corporation on account of such production, except as to the first two (2) productions to be made by the Producer which said first two (2) productions shall be completed not less than six (6) months after the date of the first advance made by Motion Picture Capital Corporation on account of the same. Producer agrees to produce each of such productions within the Budget of Cost of same and within the limitations of cost herein set forth.

The Companies shall pay to the Producer the sum of Two Thousand Dollars (\$2,000.) per week each and every week during the term hereof beginning the 1st day of February 1925.

The said Cecil B. deMille Productions, Inc. does hereby sell, assign, transfer and set over, and relinquish and quit-claim unto the Parent Corporation and the Subsidiary Corporation any and all right, title, claim and interest of any and every kind, and nature, which it now has, upon and for the services of Producer as a Director and/or Producer of Motion pictures under the terms of the contract of employment now existing between the said Cecil B. deMille Productions, Inc., and the said Producer, and upon the further express condition and agreement that in the event that this agreement as between the said parent and subsidiary corporation on the one part and the said Producer on the other part is terminated at any time within the period of five years from the date hereof, that the services of said Producer as director and producer of motion pictures shall thereupon revert to the said Cecil B. deMille Productions, Inc., and that the said Cecil B. deMille Productions, Inc. [891] shall thereupon have the right to the said services of the said Producer from the date of such termination of this agreement and for a period equal to the unexpired term of the contract now in existence between the said Producer and the said Cecil B. deMille Productions, Inc., and the said Producer does hereby agree in the event of such termination of this con-

tract to so render and perform his services as a director and producer of motion pictures for the said Cecil B. deMille Productions, Inc., for such period of time, and upon and in accordance with all of the terms and conditions of said contract now in existence between the said Producer and the said Cecil B. deMille Productions, Inc.

In consideration of the release and transfer and assignments and of the agreements herein set forth by the said Cecil B. deMille Productions, Inc., the said Parent and Subsidiary Corporations do hereby agree to pay to the said Cecil B. deMille Productions, Inc., the sum of forty-five hundred dollars (\$4500) per week each and every week beginning March 9, 1925, during and throughout the continuation of this agreement, and any extension or renewal thereof, and until the termination thereof, and during the period that the said Producer is engaged in rendering or performing any service for the Companies or either of them.

During each and every week that the said Producer is not engaged in directing a motion picture to be personally directed by him the sum of forty-five hundred dollars (\$4500) so paid to the said Cecil B. deMille Productions, Inc., during each such week shall be charged against any dividends which may hereafter be declared upon 100,000 shares of the common capital stock of the Parent Corporation, which said 100,000 shares of said common capital stock [892] of said corporation shall be presently issued to the said Cecil B. deMille Pro-



ductions, Inc., and there shall be no obligation to repay the amount of forty-five hundred dollars (\$4500) per week so paid during the period that the said Producer is not personally engaged in the direction of one of said motion pictures except from the dividends so declared; and the said Cecil B. deMille Productions, Inc., does hereby assign the said dividends which may be declared upon said 100,000 shares of the common capital stock of said Parent Corporation to the said Parent Corporation if, as, and when the same are declared until there has been repaid to the said Parent Corporation a sum of money equal to the amount of said payments at such time unrecouped, and the Companies shall and are hereby authorized to withhold and deduct such dividends and apply the same to the repayment of said advances.

In the event, however, that the said Cecil B. deMille Productions, Inc., is not the owner of all of the said 100,000 shares of common capital stock of the said Parent Corporation at the time of the declaration of a dividend thereon, and during the time that such payments have not been recouped, or if at such time the said dividends or any part thereof, are not paid to the said Parent Corporation, then, nevertheless Cecil B. deMille Productions, Inc., and the Producer shall jointly and severally, and do hereby jointly and severally agree to pay to the Companies in cash the difference between the amount of dividends declared and paid on said 100,000 shares of the common capital stock of said



Parent Corporation and the amount of said dividend upon the said shares actually paid to the said Parent Corporation upon said payments; it being expressly understood and agreed that the said Cecil B. de [893] Mille Productions, Inc., shall not be required to retain the ownership of said shares of said common capital stock, but in lieu thereof, said Cecil B. deMille (the Producer), individually, and Cecil B. deMille Productions, Inc., hereby guarantee that there shall be paid to the Parent Corporation, an amount equal to the dividends declared upon said 100,000 shares of common capital stock either from the said dividends or otherwise, as and when said dividends are declared until the said Parent Corporation has recouped from such dividends or such payments the amount of said payments made at the rate of forty-five hundred dollars (\$4500) per week during the weeks that the said Producer is not engaged in personally directing the pictures required to be personally directed by him under the terms hereof.

There shall be no obligation on the part of any one to repay, and the Companies shall not, nor shall either of them be entitled to recoup the payments of forty-five hundred dollars (\$4500.) per week made to the said Cecil B. deMille Productions, Inc., during the weeks and time that said Producer is engaged in directing the pictures required to be personally directed by him under the terms hereof.

It is understood that the time required of Producer in personally directing any of such produc-

tions shall be deemed to be a period extending from a date two weeks prior to the actual commencement of photographing of any production so personally directed, and continuing throughout the actual photographing of same, and for a period of four weeks after the photographing thereof is completed.

The Producer agrees that during the continuance of this agreement he will devote his entire time and at- [894] tention to the performance of the duties required of him hereunder, except such time as shall be required in connection with his own private investments.

The Producer agrees that he will not during the continuation of this agreement devote any of his time or attention, or render any services in the production, distribution or direction of motion pictures for himself or for any other person, firm or corporation than the Companies as herein expressly provided.

The Producer further agrees that he will not use or permit his name to be used in connection with any motion picture or motion picture enterprise except those covered by this agreement during the continuation of this agreement, except such uses thereof as are required in connection with pictures heretofore made.

The Producer represents to the Companies and the Companies agree that his services as director, supervisor and/or producer of motion pictures which he has agreed and promised to perform here-

under are of a special, unique, unusual, extraordinary, or intellectual character which have and give a peculiar value, the loss of which cannot be reasonably or adequately compensated in damages in an action at law, and in the event that Producer during the continuation of this agreement should perform or render or attempt or threaten to perform or render for himself or any other person, firm or corporation any service herein agreed to be rendered or performed for the Companies than an injunction may be granted and issued against his so doing by such Court as may have jurisdiction to render the same.

In the event that Producer shall fail to produce the number of productions herein provided for during each [895] year as such number of productions is finally determined hereunder, or shall fail to produce same within the maximum amount herein provided as the maximum negative cost of such productions for any such year, which maximum cost shall, after the first year, be determined by multiplying the number of personally directed productions produced during any such year by the sum of Four hundred thousand dollars (\$400,000) and multiplying the number of supervised productions produced hereunder during any such year by Two hundred thousand Dollars (\$200,000) and adding the result, unless such maximum cost shall have been increased by written agreement between the Parent Corporation and the Producer, or in the event that

Motion Picture Capital Corporation shall terminate its agreement of even date herewith under which it has agreed to make certain advances on account of the production cost of the productions covered by this agreement and such default shall have been caused by any act of Producer contrary to the terms hereof or by any neglect or failure to perform any covenants or conditions to be performed hereunder by Producer; then, and in any of such events, the Companies may at their option terminate this agreement upon thirty days notice in writing delivered or mailed to the Producer. Unless such option shall be exercised within thirty days after the end of the year in which said defaults are alleged to have occurred, said option shall be deemed to have been waived.

In the event of the termination of this agreement by the lapse of time or otherwise then the Companies shall have and are hereby granted the right and option at their election to purchase from the Producer the shares of common capital stock of the Companies and each of them at such time owned by the Producer at and for such a price [896] or sum as shall be fixed by a board of three appraisers, to be appointed and act as hereinafter provided.

In the event that the Companies fail or refuse to produce the pictures hereinbefore described and to be produced by the Companies or shall fail to advance or furnish the funds or moneys necessary to pay and satisfy any and all obligations and/or



liabilities incurred in producing said pictures as herein limited, and to actually pay the same as and when the said obligations or liabilities mature, or shall fail to pay to the Producer as and at the times herein provided for, the compensation herein agreed to be paid to the Producer, or shall fail to pay to the Cecil B. deMille Productions, Inc., the weekly payments of Four thousand five hundred dollars (\$4500.) herein provided for, or in the event that Motion Picture Capital Corporation shall cancel its contract of even date herewith under which it has agreed to make certain advances to the Companies for the production of pictures covered by this agreement, unless such termination shall be caused by any act of Producer, and unless the financing for the pictures covered by this agreement shall be arranged by the Companies on terms at least as favorable as those provided under said contract of Motion Picture Capital Corporation, then, the Producer in the event of the happening of any one or more than one of the said events shall have the right at his option to terminate this agreement, provided, however, that before the option shall become effective, or the agreement terminated, the Producer shall notify the Parent Corporation in writing either in person or by mail or telegraph of the alleged breach or default, and the Companies shall have thirty (30) days from the date of receipt of such notice within which to cure the alleged default if any exists, except as to the payment of money



[897] agreed to be paid or advanced to the Producer or to the Cecil B. deMille Productions, Inc., and the Companies shall have only seven (7) days from the date of receipt of such notice within which to pay or advance said money in order to cure such alleged latter default. In the event of the failure of the companies to cure or correct any such alleged default before the expiration of the respective times herein provided, then if the Producer so notifies the Companies this agreement shall immediately upon the expiration of the time above limited for such respective alleged defaults and the service of said notice be thereby terminated and of no further force or effect, except to determine the rights of the parties as to matters which have theretofore transpired, and the Producer shall be released from any further obligations hereunder. Unless such option shall be exercised within thirty days after the date on which said defaults are alleged to have occurred, said option shall be deemed to have been waived.

The rights herein provided for or reserved to each of the parties hereto shall be in addition to and not in lieu or in limitation of any other right which such parties may have for the breach of any of the terms of this agreement.

In the event of the termination of this agreement by a lapse of time or otherwise, or by reason of the exercise of the option to terminate by Producer the Producer shall have and is hereby granted in that event the right and option at his election to pur-

chase the said studios at Culver City, hereinbefore described, together with all of the equipment and properties thereof and including the improvements thereon, and any and all [898] paraphernalia, costumes, sets and instruments and articles of any and every kind and nature used in connection with any of the motion pictures, and in addition thereto all stories and other literary compositions at such time owned by the Companies, and the services and contracts for the services of any and all actors, actresses, directors, artists, artisans employed by the Subsidiary Company, and there shall be included and made a part of each and every contract of employment of any and all such actors, actresses, directors, artists, artisans, the provision that their services shall be rendered and performed for the employer named in said agreement or for Producer or such corporation as he may then have or thereafter organize and to contain a further provision that in the event of the termination of the agreement dated February 13, 1925 between Cecil B. deMille and the Cinema Corporation of America and that Cecil B. deMille or any of his Companies shall become entitled to the services of such artists that thereafter the Cinema Corporation or Cecil B. deMille Pictures Corporation shall be relieved of any further liability upon such contract.

The election to exercise said option to purchase shall be made and served upon the Companies within thirty (30) days after the date of termination of said agreement, and shall be served in writ-

ing either by mail, telegraph, or by delivery of such written notice personally to the corporation or any of its officers.

The price to be paid for the purchase of properties and rights purchased under said option by Producer shall be arrived at by a board to be appointed and act as hereinafter provided. The appraisers so appointed shall fix the actual value over and above the encumbrances [899] thereon which said encumbrances the purchaser shall assume and agree to pay at the time of making of said appraisalment of said properties and shall fix the said appraisalment of said properties and shall fix the land value of real estate composing the same separate and apart from the buildings and improvements thereon and the other properties included within said option. They shall then deduct from the land value of the said real estate so fixed the present land value of said real estate which it is hereby agreed is the sum of Two Hundred Fifty Thousand Dollars (\$250,000) and the price at which the land value of the real estate exclusive of buildings and improvements shall then be included in arriving at the price to be paid for all of the said property by the Producer shall be the appraised land value at the time of exercise of said option if such appraised land value shall be less than \$250,000, and if such appraised land value shall be more than \$250,000, then the price at which the land value of said real estate shall be included shall be the said present land value of the said real estate (which is the sum of \$250,000) plus one-half

of the difference between the said present land value and the appraised land value at the time of the exercise of said option, plus interest at the rate of 6% per annum upon all sums due to the Parent Corporation upon such appraisal from date of termination of contract to date of payment, plus all costs from date of termination of Parent Corporation or Subsidiary Corporation in maintenance of said studio and for salaries and expenses of all employees therein and the salaries of all artists or other persons whose contracts are purchased under said option by Producer. [900]

The Producer shall have the right to the possession and use of the said studios, and of the services of the persons hereinbefore described and of all of the other matters or things included within the terms of said option from the date of the termination of the said agreement; subject, however, to the payment of said interest, costs and salaries aforesaid.

There shall be credited upon the purchase price so fixed by said appraisers for said properties the face or par value of any and all preferred stock of the said Parent Corporation issued to the Producer upon the organization of the Parent and Subsidiary Companies, which said preferred stock shall be delivered up to said Parent Corporation contemporaneously with the transfer of title of said properties and the remainder of the purchase price so fixed shall be paid by the Producer in cash within thirty (30) days after the appraisal fixing the value of such assets.



In the event that the Parent or Subsidiary Company is unable either for legal reasons or otherwise to acquire the said preferred stock or to take the same as part payment for the property so purchased then nevertheless the purchase price to be paid for the properties above described and included within the said option shall be the difference between the appraised value of the said properties and the par value of the said preferred stock, provided, further, however, that in such event the said preferred stock shall be delivered up to the Companies nevertheless for cancellation.

In the event that either of the parties fails or refuses to name an appraiser to be appointed by such party within ten days from the date of exercise of said option then the appraiser appointed by the remaining party [901] shall be authorized to fix the valuations hereinbefore provided for and the valuations so fixed shall be binding upon the parties hereto.

The appraisers to be appointed in each instance under the terms of this agreement must be appointed by the party entitled to so appoint such appraisers within ten days from the receipt of notice by the opposing party demanding the appointment of such appraisers, and in the event of the failure of the other party to make such appointment, it shall be considered that he has refused so to do, and the one appointed shall have authority to act as above and the decision shall be binding upon the parties hereto. The two appraisers ap-



pointed shall select the third appraiser within ten days from demand by either appraiser to the other for the appointment of such third appraiser, and in the event that said third appraiser has not been agreed upon within said ten days, then said third appraiser shall be appointed as follows. In the event of the inability of the two appraisers appointed by the respective parties to agree upon the third appraiser for the purpose of determining the value of the properties in California, said third appraiser shall be appointed by the President of the Bank of Italy of California. The appraiser for the purpose of fixing a valuation on the stock of the Corporation shall be appointed by the President of the Central Union Trust Company of New York.

The term of this agreement shall be for a period of five (5) years from the date hereof.

If upon the expiration of the period of five (5) years herein fixed as the term of this agreement either the Companies or the Producer is desirous of renewing this contract for an additional period of three (3) years [902] upon all the same terms and conditions herein contained and set forth, and the other party refuses to so renew or extend this agreement upon all the said terms and conditions, then the party so refusing to so renew or extend this agreement shall not have the right or option to purchase the stock or properties which they or he would otherwise have the right to purchase in the event of the termination of this agreement.

The Producer hereby consents to the use of the name Cecil B. deMille as part of the name of the Subsidiary Corporation with the following reservations and upon the express conditions however, that the use of said name shall continue only so long as this agreement continues in force and the said Cecil B. deMille continues in the employment of the said Companies and no longer; and that in the event of the termination of this agreement for any reason whatsoever or of the cessation or of the employment of said Cecil B. deMille by the said Companies under the terms hereof, that the name of the said Subsidiary Corporation shall be changed and the name Cecil B. deMille shall be eliminated as a part thereof, and that the changing of said name shall be done immediately upon the cessation of said services or the termination of this agreement; and the Companies and each of them do agree that in the event of the termination of this agreement or the cessation of said services that they will not, nor either of them, have any right whatsoever to any further use of said name.

In the event that the Producer is engaged in directing a motion picture at the time of the termination of this agreement for any reason he shall nevertheless continue his services until the said picture is completed, [903] and shall be paid for services so rendered the same compensation being paid him immediately prior to the termination of this agreement.

The name of the Producer shall be included in any and all paid publicity and advertising issued

by the Companies in connection with each and every of the pictures personally directed and/or supervised by the Producer, and the name of the Producer shall be in type of equal size with any other type used therein. The production shall be advertised and publicised in connection with all productions which he personally directs in a similar manner to the advertising of "Manslaughter" directed by him for Famous Players-Lasky Corporation.

Each and every picture either personally directed or supervised by the Producer shall be released to Exhibitors and shown in the manner in which the same is completed, either by or under the supervision of the Producer, without any changes, cuts, interpolations, additions to or subtractions therefrom of any kind except such as shall be ordered by any recognized board of censorship and shall contain such announcements with reference to the Producer and in connection therewith as he shall from time to time deem advisable, but each of said productions shall contain the announcement if the Companies so desire that the same is produced by the Parent Corporation, which said announcement shall be given equal prominence to that of any other announcement forming a part of said production.

The Producer shall be entitled to such reasonable vacation periods as he shall deem advisable consistent with his duties hereunder. [904]

It is agreed that this contract is not made for the benefit of said Cecil B. deMille Productions, Inc.

and it has no rights therein, except rights to receive the sums of money herein provided for, for so long a time as this contract is in full force and effect between the Producer and the Companies, and upon the termination hereof, to receive again the services of said Cecil B. deMille.

It is further understood and agreed that said Cecil B. deMille Productions, Inc. shall have no right or authority to interfere in any way with the continuation of this agreement (by mutual consent between Producer and the Companies) for any period or periods beyond the term of five (5) years herein set forth.

IN WITNESS WHEREOF, the parties of the first part and Cecil B. deMille Productions, Inc. have caused these presents to be signed by their officers thereunto duly authorized and their corporate seals to be hereto affixed and Cecil B. deMille has hereunto set his hand and seal the day and year first above written.

CINEMA CORPORATION OF AMERICA

By (Signed) F. C. MUNROE  
CECIL B. DE MILLE PICTURES CORPORATION

In Presence of ..... By (Signed) D. A. RICHARDS  
..... Pres. as of 2-13-25  
..... CECIL B. DE MILLE PRODUCTIONS, INC.

By (Signed) CECIL B. deMILLE  
(Signed) CECIL B. deMILLE

Copy

Production Budget and Cost Statement

Title .....  
 Director .....  
 Star .....  
 Production number .....  
 Maximum cost .....

Producer .....  
 Date of first Charge .....  
 Date actual shooting commenced .....  
 Date actual shooting finished .....  
 Date production completed .....  
 Date of statement .....

Department	Account No.	This week	To date	Estimated Final cost	Balance
Scenario	Story	.....	.....	.....	.....
	Continuity	.....	.....	.....	.....
	Research	.....	.....	.....	.....
	Miscel.	.....	.....	.....	.....
	Total for Dept.	.....	.....	.....	.....
Direction	Director	.....	.....	.....	.....
	Asst. Director	.....	.....	.....	.....
	Total for Dept.	.....	.....	.....	.....



Production Budget and Cost Statement—(Continued)

Department	No.	This week	To date	Estimated Final cost	Balance
Cast	Star .....	.....	.....	.....	.....
	Leading Man .....	.....	.....	.....	.....
	Leading Woman .....	.....	.....	.....	.....
	Extra talent .....	.....	.....	.....	.....
	Animals .....	.....	.....	.....	.....
	Total for Dept.....	.....	.....	.....	.....
Camera	Camerman .....	.....	.....	.....	.....
	Camera rentals .....	.....	.....	.....	.....
	Miscel. ....	.....	.....	.....	.....
	Total for Dept.....	.....	.....	.....	.....
Wardrobe	Purchases .....	.....	.....	.....	.....
	Rentals .....	.....	.....	.....	.....
	Salaries .....	.....	.....	.....	.....
	Miscel. ....	.....	.....	.....	.....
	Total for Dept.....	.....	.....	.....	.....
Locations	Transportations .....	.....	.....	.....	.....
	Rentals .....	.....	.....	.....	.....
	Hotels and meals .....	.....	.....	.....	.....
	Miscel. ....	.....	.....	.....	.....
	Total for Dept.....	.....	.....	.....	.....

## Production Budget and Cost Statement—(Continued)

Department	Account No.	This week	To date	Estimated Final cost	Balance
Properties	Purchased .....	.....	.....	.....	.....
	Rentals .....	.....	.....	.....	.....
	Total for Dept.....	.....	.....	.....	.....
Sets & Scenery	Labor .....	.....	.....	.....	.....
	Materials .....	.....	.....	.....	.....
	Miscel. ....	.....	.....	.....	.....
	Total for Dept.....	.....	.....	.....	.....
Electrical	Electricians .....	.....	.....	.....	.....
	Supplies .....	.....	.....	.....	.....
	Rentals .....	.....	.....	.....	.....
	Miscel. ....	.....	.....	.....	.....
	Total for Dept.....	.....	.....	.....	.....
Laboratory	Negative film (feet).....	.....	.....	.....	.....
	Developing .....	.....	.....	.....	.....
	Positive film .....	.....	.....	.....	.....
	Sample print labor.....	.....	.....	.....	.....
	Miscel. ....	.....	.....	.....	.....
	Total for Dept.....	.....	.....	.....	.....

Production Budget and Cost Statement—(Continued)

Department	Account No.	This week	To date	Date of Statement		Balance
				Estimated	Final cost	
Stills	Material .....	.....	.....	.....	.....	.....
	Labor .....	.....	.....	.....	.....	.....
	Miscel. ....	.....	.....	.....	.....	.....
	Total for Dept.....	.....	.....	.....	.....	.....
Titles	Material .....	.....	.....	.....	.....	.....
	Labor .....	.....	.....	.....	.....	.....
	Miscel. ....	.....	.....	.....	.....	.....
	Total for Dept.....	.....	.....	.....	.....	.....
Projection	Materials .....	.....	.....	.....	.....	.....
	Salaries .....	.....	.....	.....	.....	.....
	Total for Dept.....	.....	.....	.....	.....	.....
Publicity General	.....	.....	.....	.....	.....	.....
	Studio rent .....	.....	.....	.....	.....	.....
	Electricity .....	.....	.....	.....	.....	.....
Miscel. items	Insurance .....	.....	.....	.....	.....	.....
	List: .....	.....	.....	.....	.....	.....
	Total Miscel. ....	.....	.....	.....	.....	.....
	Total Direct Charges.....	.....	.....	.....	.....	.....

Production Budget and Cost Statement—(Continued)

Department	Account No.	This week	To date	Date of Statement		Balance
				Estimated	Final cost	
Indirect Chgs.						
Overhead:						
	Executive	.....	.....	.....	.....	.....
	Supervision	.....	.....	.....	.....	.....
	Accounting	.....	.....	.....	.....	.....
	Depreciation	.....	.....	.....	.....	.....
	Insurance	.....	.....	.....	.....	.....
	Taxes	.....	.....	.....	.....	.....
	Total Cost	.....	.....	.....	.....	.....
No. of scenes		.....	.....	.....	.....	.....

Certification by Producer

We hereby certify  
 The above is a true statement of the cost of the production, entitled.....  
 as shown by our books.

By: .....  
 Officer.

Dated .....

PETITIONER'S EXHIBIT NO. 10

[Endorsed]: Admitted in Evidence Dec. 14, 1933.

EXHIBIT H

DE MILLE CONTRACT

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THIS AGREEMENT made and entered into this 11th day of April, 1927, between

PATHE EXCHANGE, INC., a New York corporation, herein called "Pathe" and also included in the expression "Companies".

CECIL B. DEMILLE PICTURES CORPORATION, a Delaware corporation, herein called "Pictures Company", and also included in the expression "Companies",

CECIL B. DEMILLE PRODUCTIONS, INC., a California corporation, herein called "Production Company", and

CECIL B. DEMILLE, herein referred to as "DeMille",

WITNESSETH:

That in consideration of the mutual promises herein contained and other valuable consideration by each of the parties to the other paid, receipt whereof is hereby acknowledged, it is agreed as follows:

FIRST: The Companies agree to produce at their studios at Culver City, California, not less than one (1) nor more than (3) motion pictures during each year of the term of this agreement,



which shall be personally directed by deMille, and deMille agrees to personally direct the same, and in addition thereto, the Companies agree to produce at the said studios during each year of the term of this agreement not less than fifteen (15) nor more than forty (40) additional motion pictures which shall be produced under the supervision of deMille, and deMille agrees to supervise the same. The exact number of said productions in excess of the minimum number herein specified shall be mutually agreed upon between the Companies and deMille at or before [908] the beginning of the year during which they are to be produced.

The pictures to be personally directed by deMille during each year of the term of this agreement shall be budgeted at or shall cost approximately Four Hundred and Fifty Thousand (\$450,000) Dollars each, and the remaining productions, which they are to be produced.

The pictures to be personally directed by deMille during each year of the term of this agreement shall be budgeted at or shall cost approximately Four Hundred and Fifty Thousand (\$450,000) Dollars each, and the remaining productions, which are to be supervised by deMille, whatever their number may be, shall cost not less than Three Million (\$3,000,000) Dollars during each year and so much more or no more than Three Million (\$3,000,000) Dollars as Pathe may determine.

The Companies and deMille so far as it is within their respective powers and control each agrees to endeavor conscientiously and diligently to produce said motion pictures and each of them within the budgeted cost and as economically as possible.

The obligations under this Article First shall be subject to fire, strike, epidemic, acts of God, acts of enemy, and similar unforeseen events.

**SECOND:** The Companies agree to maintain and operate continuously during and throughout the period of this agreement, the said studios at Culver City, California, for the purpose of producing at said studios the pictures herein provided for, subject to strikes, fire and other happenings beyond their control and agree to produce said pictures at said studios; and do further agree to equip, repair and improve said studios from time to time as shall be necessary and to employ and have available for the production of said motion pictures the necessary [909] artists, artisans and employees, and the necessary stories, material and property of every kind required in the production of said motion pictures, and do further agree to provide the necessary funds for, and to pay when due any and all costs, charges and expenditures of any and every kind or nature made or incurred by said Companies in connection with the maintenance, conduct and operation of said studios. as aforesaid.

It is understood and agreed that any portions of the studios owned by the Pictures Company not at

the time being used by the Pictures Company or by deMille hereunder with the consent of deMille may be used for the production of motion pictures by Pathe, or any subsidiary company of Pathe, other than the Pictures Company, on such terms as may be agreed on between Pathe and the Pictures Company. Any such motion pictures shall not be deemed to be made by the Pictures Company or under this agreement.

**THIRD:** The Companies agree to establish and maintain a proper organization for the distribution of motion pictures to be produced under the terms hereof throughout the United States, and agree to distribute and release the same for exhibition through said organization at such times and in such manner as may be best calculated to obtain the greatest possible revenue from the said pictures consistent with the best business practices.

**FOURTH:** The Companies shall also use their best efforts and endeavors to sell, lease or otherwise dispose of the right to exhibit said motion pictures throughout the remainder of the entire world in such manner and on such terms as will secure from the said motion picture rights the greatest possible revenue, consistent with the best business practices. [910]

**FIFTH:** In the production of each of said motion pictures there shall be made two (2) negatives of each of said motion pictures and a different sample print from each of said negatives. The Com-

panies shall furnish for use throughout the United States such number of positive prints of the negative made for use in the United States as shall obtain the greatest possible revenue from the exhibition rights to each such picture.

**SIXTH:** deMille shall be the executive head and have final and complete authority in and supervision of all matters pertaining to the production of the motion pictures to be made hereunder as above provided and of all other motion pictures which the Pictures Company may make during the term hereof, subject to the Board of Directors; and he shall also be the advisory head of any business organization which the Companies may at any time establish or maintain in California as distinguished from the production organization.

**SEVENTH:** There shall be no person or officer of said Companies of equal or superior authority to that of deMille in any matter pertaining to the production of motion pictures hereunder, and any and all decisions by deMille in all matters of such production shall be complied with and carried out by the Companies subject to the limitations placed upon the number of productions and the cost thereof as herein specified; provided, however, that deMille shall not, without express authority of the President or Chairman of the Board of Pathe, make any contract with any actor, actress, director, artist or employee for a period of more than one year, or at a salary in excess of \$2,500 per week, or acquire



any story, story rights, scenario or other literary composition.

EIGHTH: Pathe and/or the Pictures Company shall pay to deMille the sum of Two thousand five hundred (\$2,500) [911] Dollars per week each and every week during the continuation hereof, beginning when this agreement is actually signed and acknowledged.

NINTH: The Production Company does hereby sell, assign, transfer and set over and relinquish and quit-claim unto the Companies any and all right, title, claim and interest of any and every kind and nature, which it now has, upon and for the services of deMille as a director and/or producer of motion pictures under the terms of the contract of employment heretofore existing between Cecil B. deMille Productions, Inc., and deMille and under the contract dated February 13, 1925, upon the express condition and agreement that in the event this agreement as between the Companies on the one part and the said deMille on the other part, is terminated at any time, the services of deMille as director and producer of motion pictures shall thereupon revert to the said Production Company and that the said Production Company shall thereupon have the right to the said services of deMille from the date of such termination of this agreement, and for a period of five (5) years thereafter, and deMille does hereby agree in the event of such termination of this contract to so render



and perform his services as a director and producer of motion pictures for the said Production Company for such period of time, and upon and in accordance with all of the terms and conditions of said contract heretofore in existence between the said deMille and the said Production Company. In consideration of the release and transfer and assignments and of the agreements herein set forth by the said Production Company and of other valuable considerations, the said Pathe and/or Pictures Company do hereby agree to pay to the said Production Company the sum of Five thousand (\$5,000) Dollars per week each and every week beginning at the same time as the payment of the Two thousand five hundred (\$2,500) Dollars weekly to deMille as hereinabove provided and continuing [912] during and throughout the continuation of this agreement and any extension or renewal and until the termination thereof; and during the period that deMille is engaged in rendering or performing any service for either Pathe or the Picture Company and in addition thereto the said Pathe and/or the Picture Company do hereby agree to pay to the said Cecil B. deMille Productions, Inc., five per cent. (5%) of the gross earnings and receipts without any deduction either direct or indirect, from any and every source and use whatsoever of each picture personally directed by deMille including the story or motion picture rights on which the picture is based until the remaining ninety-five per cent.

(95%) of said earnings has equaled the negative cost of each such picture, at and after which time there shall be paid to the said Production Company, an additional ten per cent. (10%) of said gross, making a total in all from said time of fifteen per cent. (15%) of said gross, and one and one-fourth per cent. ( $1\frac{1}{4}\%$ ) of the gross earnings and receipts without any deductions either direct or indirect, from any and every source and use whatsoever of each supervised picture produced by said Companies, including the story or motion picture rights on which the picture is based until the remaining ninety-eight and three fourths per cent. ( $98\frac{3}{4}\%$ ) of said earnings has equaled the negative cost of each such picture, at and after which time there shall be paid to the said Production Company, an additional two and three-fourths per cent. ( $2\frac{3}{4}\%$ ) of said gross, making a total in all from said time on said pictures of four per cent. (4%) of the gross earnings thereof. The negative cost referred to in this paragraph shall include the cost of positive prints and a sum for advertising not to exceed 4% of the negative [913] cost of the personally directed pictures, 3% of the negative cost of the Special program pictures, and  $2\frac{1}{2}\%$  of the negative cost of program pictures.

Gross earnings and receipts from any pictures referred to in this paragraph shall mean and include only (1) gross amounts paid by the exhibitors for licenses for the use of prints of such picture, (2)

gross amounts received by Pathe or the Pictures Company in respect of foreign distribution of such pictures, (3) gross receipts from all other sources, if any, as a consideration for the right to exhibit prints of such picture, (4) amounts received by Pathe or the Pictures Company in respect of the story or motion picture rights on which such picture is based, and (5) the net receipts from any exhibition of such picture by Pathe or any wholly owned subsidiary, after deducting only the usual and necessary expenses of any such exhibition, but shall not include payments made by exhibitors or licensees as security deposits until such amounts have been forfeited or actually applied as rentals, nor the proceeds of any sale or rental of advertising posters and other accessories.

**TENTH:** deMille agrees that during the continuance of this agreement he will devote his entire time and attention to the performance of the duties required of him hereunder, except such time as shall be required in connection with his own private investments and customary rest and vacation periods. He shall be entitled to such reasonable vacation periods as he shall deem advisable, consistent with his duties hereunder.

**ELEVENTH:** deMille agrees that he will not during the term of this agreement devote any of his time or attention, or render any services in the production, distribution or direction of motion pictures for himself or for any person, firm or corpora-

tion other than Pathe and the Pictures Company as herein provided. [914]

TWELFTH: deMille further agrees that he will not use or permit his name to be used in connection with any motion picture or motion picture enterprise except those covered by this agreement during the term of this agreement, or any extension thereof and except such uses as are required in connection with pictures heretofore made.

THIRTEENTH: deMille represents and the Companies agree that deMille's services as director, supervisor and/or producer of motion pictures which he has agreed and promised to perform hereunder are of a special, unique, unusual, extraordinary and intellectual character which have and give them a peculiar value, the loss of which can not be reasonably or adequately compensated by damages in an action at law, and in the event that deMille during the continuation of this agreement should perform or render or attempt or threaten to perform or render for himself or any other person, firm or corporation any service in any wise pertaining to the production of motion pictures, that then an injunction may be granted and issued against his so doing by such Court as may have jurisdiction to render the same.

FOURTEENTH: In the event that the Companies shall fail or refuse to produce the pictures herein described and to be produced by the said Companies, or shall fail to furnish the funds or



moneys necessary to pay and satisfy any and all obligations and/or liabilities properly incurred in producing said pictures, and to actually pay the same as and when the said obligations or liabilities mature, or shall fail to pay deMille as and at the times herein provided for, the compensation herein agreed to be paid to him, or shall fail to pay to Production Company, the moneys agreed to be paid to it, or if said Companies or either of them shall be adjudicated bankrupt or if a receiver shall be appointed for [915] for them or either of them, then in the event of the happening of any one or more of said events, deMille shall have the right at his option to terminate this agreement, provided, however, that before the option shall become effective, or the agreement terminated, other than in the event of bankruptcy or the appointment of a receiver, deMille shall notify Pathe in writing delivered either in person or by registered mail, of the alleged breach of default, and the Companies shall have thirty (30) days from the date of receipt of such notice within which to cure the alleged default if any exists except as to the payment of money agreed to be paid to deMille or to Production Company, and Companies shall have only fifteen (15) days from the date of receipt of such notice within which to pay said money in order to cure such alleged default. In the event of the failure of the Companies to cure or correct any such alleged default before the expiration of the respective times herein provided, then, if deMille so notifies the Companies, this agreement



shall immediately upon the expiration of the time above limited for such respective alleged defaults and the service of said notice, be thereby terminated and of no further force or effect, except to determine the rights of the parties as to matters which have theretofore transpired.

FIFTEENTH: The rights herein provided for or reserved to each of the parties hereto shall be in addition to and not in lieu or in limitation of any other rights which such parties may have for the breach of any of the terms of this agreement.

SIXTEENTH: In the event that the Companies or either of them terminate this agreement, or in the event of the termination of this agreement by reason of the exercise of the option to terminate by deMille as in Article Fourteenth provided, or by reason of lapse of time, (if Pathe shall not desire to renew [916] or extend the same for an additional term of five years as hereinafter set forth) then, and in any of said events, the Cecil B. deMille Productions, Inc., shall have and is hereby granted the right and option at its election to purchase the said deMille Studios at Culver City, California, described as follows:

TOGETHER with all the equipment and properties thereof and including the improvements thereon, and any and all paraphernalia, costumes, sets, instruments and articles of any and every kind and nature used in connection with any of the motion pictures, subject, as to all the foregoing, to any

liens then existing thereon, and in addition thereto, one-half of all stories and other literary compositions at such time owned by the Companies, which were acquired by or at the suggestion of deMille, or to be used as the basis for motion pictures to be made hereunder, and the services and contracts for the services of one-half the number of all actors, actresses, directors, artists, and all persons employed under written contract by the Picture Company and there shall be included and made a part of each and every contract of employment of any and all such actors, actresses, directors, artists and artisans, the provision that their services shall be rendered and performed for the employer named in said agreement or for deMille or such corporation as he may then have or thereafter organize.

The division of one-half of said stories and other literary compositions and of one-half the number of actors, actresses and other persons employed under written contract, shall be effected as follows:

Pathe shall have the first choice in selecting one story or other literary composition from the complete list thereof which shall be retained by it and the Production Company shall have the next choice of selection of one story or [917] other literary composition to be transferred to it and Pathe shall then have the next choice of story, etc., to be retained by it and so on until the entire list of stories or other literary compositions are equally divided as above provided, Pathe and the Production Company alternating in such selection as above provided. This same

method shall then be applied in the division of the artists, Pathe to have the first selection and the Production Company the second selection and alternating as above provided. Then the same method shall be applied to the Directors and then to each class or division of persons employed under written contract until the spirit and intent of this agreement is carried out; and the Production Company shall only pay for such plays, artists, directors and other persons as are transferred to it by the method above provided. The Production Company shall assume all obligations of Pathe or the Pictures Company under any contract acquired by the Production Company as aforesaid, and agrees to indemnify Pathe and the Pictures Company against any liability thereafter arising thereunder.

SEVENTEENTH: The election to exercise said option to purchase shall be made and served upon the Companies within sixty (60) days after the date of termination of said agreement and the service of notice of termination herein provided for, and shall be served in writing, either by registered mail or by delivery of such written notice personally to Pathe or any of its officers.

EIGHTEENTH: The price to be paid for the purchase of properties and rights purchased under said option by the Production Company shall be arrived at by a board to be appointed and act as hereinafter provided. The appraisers so appointed shall fix the actual value of said properties in excess of the encumbrances thereon, which said encum-

branches [918] the purchaser shall assume and agree to pay at the time of the consummation of the sale of said properties and as a part of said appraisalment shall fix the land value of real estate comprising the same separate and apart from the buildings and improvements thereon and the other properties included within said option. The expression "appraised value" as herein used shall mean the appraised value thereof less the amount of encumbrances on same. They shall then deduct from the land value of the said real estate so fixed the present land value of said real estate which it is hereby agreed is the sum of Two Hundred Fifty Thousand (\$250,000.00) Dollars and the price at which the land value of the real estate exclusive of buildings and improvements shall be included in arriving at the price to be paid for all of the said property by the Production Company shall be the appraised land value at the time of exercise of said option if such appraised land value shall be less than Two Hundred Fifty Thousand (\$250,000.00) Dollars, and if such appraised land value shall be more than Two Hundred Fifty Thousand (\$250,000.00) Dollars then the price at which the land value of said real estate shall be included shall be the said present land value of the said real estate, which is the sum of Two Hundred Fifty Thousand (\$250,000.00) Dollars, plus one-half of the difference between the said present land value and the appraised land value at the time of the exercise of the said option, plus interest at the rate of six per cent. (6%) per annum



upon all sums due to Pathe upon such appraisal from the date of termination of contract to the date of payment, plus all costs from the date of such termination paid by Pathe or the Pictures Company in maintenance of said studios and for salaries and expenses of all employees therein and the salaries of all artists or other persons whose contracts are purchased [919] under said option by the Production Company. In the event that the Companies fail to make any payments required to so keep and maintain said studios or any of said contracts in full force and effect, the Production Company shall have the right so to do. Any payment made by the Production Company on account of contracts for stories or salaries of individuals which are finally not transferred to the Production Company shall be credited to the Production Company on account of the purchase price. There shall be credited upon the purchase price so fixed by said appraisers for said properties the sum of One Hundred Eighty-Eight Thousand (\$188,000.00) Dollars.

The Production Company shall have the right to the possession and use of the said studios, and of the services of the persons hereinbefore described and of all of the other matters or things included within the terms of said option from the date of the termination of the said agreement; subject, however, to the payment of said interest, costs and salaries aforesaid.

In the event that either of the parties fails or refuses to name an appraiser to be appointed by



such party within ten (10) days from the date of exercise of said option, then the appraiser appointed by the remaining party shall be authorized to fix the valuation hereinbefore provided for and the valuation so fixed shall be binding upon the parties hereto.

The appraisers to be appointed in each instance under the terms of this agreement must be appointed by the party entitled to so appoint such appraisers within ten (10) days from the receipt of notice by the opposing party demanding the appointment of such appraisers and in the event of the failure of the other party to make such appointment, it shall be considered that he has refused so to do, and the one appointed shall have authority to act as above and the decision shall be [920] binding upon the parties hereto. The two appraisers, if appointed, shall select the third appraiser within ten (10) days from demand by either appraiser to the other for the appointment of such third appraiser, and in the event that said third appraiser has not been agreed upon within said ten (10) days, then said third appraiser shall be appointed as follows: In the event of the inability of the two appraisers appointed by the respective parties to agree upon the third appraiser, said third appraiser shall be appointed by the then President of the Chamber of Commerce of the City of Los Angeles and shall be a disinterested person of at least three years experience in the motion picture business.

NINETEENTH: The term of this agreement shall be for a period of five (5) years from the date hereof. If upon the expiration of the period of five (5) years herein fixed as the term of this agreement either Pathe or the Pictures Company is desirous of renewing this contract for an additional period of five (5) years upon all the same terms and conditions herein contained and set forth, and deMille and/or the Production Company shall refuse to so renew or extend this agreement, then the Production Company shall not have the right or option to purchase the properties which it would otherwise have as herein set forth.

TWENTIETH: deMille and the Production Company hereby consent to the use of the name Cecil B. deMille as part of the name of the Pictures Company with the following reservations and upon the express conditions, however, that the use of said name as part of the corporate name shall continue only so long as this agreement continues in force and the said Cecil B. deMille continues in the employment of the said Companies and no longer; and that in the event of the termination of this agreement for any reason whatsoever or of the cessation or of the [921] termination of the employment of the said Cecil B. deMille by the said Companies under the terms hereof, the name of the said Pictures Company shall be changed and the name Cecil B. deMille shall be eliminated as a part thereof and that the changing of said name shall be done immediately upon the cessation of said services or the termination of this agreement; and the Companies and each

of them do hereby agree that in the event of the termination of this agreement or the cessation of said services, they will not, nor either of them, have any right whatsoever to any further use of said name, except that the Companies shall have the right to continue to use the said name on and in connection with any and all motion pictures made hereunder.

**TWENTY-FIRST:** In the event deMille is engaged in directing a motion picture at the time of the termination of this agreement for any reason, he shall, nevertheless, continue his services until the said picture is completed, and shall be paid for his services so rendered the same compensation being paid to him immediately prior to the termination of this agreement and such production when completed shall for all the purposes hereof, be considered a production made during the term hereof.

**TWENTY-SECOND:** The name of deMille shall be included in any and all paid publicity and advertising issued by the Companies in connection with each and every of the pictures personally directed and/or supervised by him, and the name of deMille shall be in type of equal size with any other type used therein. deMille shall be advertised and publicized in connection with all productions which he personally directs in a similar manner to the advertising of "The Volga Boatman" directed by him. [922]

**TWENTY-THIRD:** Each and every picture either personally directed or supervised by deMille shall be released to exhibitors and shown in the

manner in which the same is completed either by or under the supervision of deMille, without any changes, cuts, interpolations, additions to or subtractions therefrom of any kind except such as shall be ordered by any recognized board of censorship and shall contain such announcements with reference to deMille and in connection therewith as he shall from time to time deem advisable, but each of said productions shall contain the announcement, if the Companies so desire, that the same is produced by Pathe, which said announcement shall be given equal prominence to that of any other announcement forming a part of said production.

TWENTY-FOURTH: The Companies shall keep true and accurate records and accounts of any and all moneys received and charges made from and on account of each and every picture produced hereunder as well as proper vouchers for all payments made and said records, books and vouchers shall at all reasonable times be open for the inspection and examination of deMille or his agent. The said Companies shall furnish to deMille each thirty (30) days a true and accurate statement showing in detail the gross amounts received and contracts taken or business done from or on account of each of the pictures produced under the terms hereof and shall accompany each of such statements with a check payable to deMille for the portion of said amount at that time due to deMille according to the terms hereof. All such books kept by the Companies and all charges and entries shall be in accordance with good accounting practice as adopted by a recog-



nized certified public accountant employed by the Companies. [923]

IN WITNESS WHEREOF, the corporate parties hereto have caused this instrument to be duly executed by their officers first thereunto duly authorized and their corporate seals to be hereunto affixed and deMille has hereunto set his hand and seal the day and year first above written.

PATHE EXCHANGE, INC.

By (Signed) J. J. Murdock, Pres.

Attest:

(Signed) Lewis Innerarity

Secretary

CECIL B. DE MILLE PICTURES CORPORATION,

By Cecil D. deMille, Pres.

Attest:

.....  
Secretary [924]

CECIL B. DE MILLE PRODUCTIONS, INC.

By Cecil B. deMille

Pres.

Attest:

.....  
Secretary

Cecil B. deMille (L. S.)

.....(L. S.)

.....(L. S.)



State of New York

County of New York—ss.

On this.....day of March, 1927, before me personally came....., to me known, who, being by me duly sworn, did depose and say that he resides in.....: that he is the.....of PATHE EXCHANGE, INC., the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation and that he signed his name thereto by like order.

State of New York

County of New York—ss.

On this.....day of March, 1927, before me personally came....., to me known, who, being by me duly sworn, did depose and say that he resides in.....: that he is the.....of the CECIL B. DE MILLE PICTURES CORPORATION, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation and that he signed his name thereto by like order. [925]

State of California,  
County of Los Angeles—ss.

On this 1st day of June, 1927, before me personally came Cecil B. deMille to me known, who, being by me duly sworn, did depose and say that he resides in Los Angeles, Cal..... : that he is the President of the CECIL B. DEMILLE PRODUCTIONS, INC., the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation and that he signed his name thereto by like order.

Neil S. McCarthy  
Notary Public

[Seal] Neil S. McCarthy, Notary Public, Los Angeles, Cal.

State of California  
County of Los Angeles—ss.

On this 1st day of June, 1927, before me came CECIL B. DE MILLE, to me known to be the individual described in, and who executed the foregoing instrument, and acknowledged that he executed the same.

Neil S. McCarthy  
Notary Public

[Seal] Neil S. McCarthy, Notary Public, Los Angeles, Cal. [926]

## PETITIONER'S EXHIBIT NO. 11

[Endorsed]: Admitted in evidence Dec. 15, 1933.

THIS AGREEMENT made and entered into at Los Angeles, California, this 18th day of April, 1928, by and between PATHE EXCHANGE, INC., a New York corporation, herein called Pathe and also included in the expression Companies, CECIL B. DE MILLE PICTURES CORPORATION, a Delaware corporation, herein called Pictures Company and also included in the expression Companies, CECIL B. DE MILLE PRODUCTIONS, INC., a California corporation, herein called Productions Company, and CECIL B. DE MILLE, of Los Angeles, California, herein called deMille,

## WITNESSETH:

THAT, WHEREAS, an agreement was made and entered into as of the date of the 11th day of April, 1927, between the parties hereto under the designations above set forth, and which said agreement was a part of a transaction involving a reorganization of Pathe, and to the general agreement concerning which reorganization said contract between the parties above set forth was annexed and marked Exhibit H; and

WHEREAS, the Productions Company was formerly the owner of the studios now known as the Cecil B. deMille Studios, located at Culver City, California, and owned by the Pictures Company, together with certain artists, actors, actresses and equipment, fixtures and materials used in the production of motion pictures; and

WHEREAS, the said Productions Company did transfer said studios, artists and equipment to the Pictures Company; and [927]

WHEREAS, the said Productions Company, in the contract above referred to and annexed to the said reorganization agreement as Exhibit H, reserved and was granted the right and option to purchase said studios, together with the equipment thereof, including certain of the artists and personnel of said organization, said option to be subject to exercise in the event of the termination of said agreement marked Exhibit H, and in which it was further provided that, in the event of the exercise of said option, there should be credited on the amount of the purchase price thereof, the sum of One Hundred Eighty Eight Thousand Dollars (\$188,000); and

WHEREAS, the parties are desirous of terminating said agreement above referred to and dated as of the 11th day of April, 1927, including the termination of the option for the purchase of said studios as in said agreement set forth, but excepting certain provisions of said agreement hereinafter expressly referred to;

NOW, THEREFORE, IT IS HEREBY AGREED THAT:

The Companies and each of them shall and hereby do sell, assign, transfer and deliver unto the Productions Company that certain equipment, appliances and properties set forth and described in the schedule hereunto annexed and marked Schedule A, and the full, complete and unrestricted title to which



said properties, when so transferred, shall be vested in the Productions Company free and clear of all liens and encumbrances.

The Productions Company shall have and is hereby granted the right and option to the services of the artists and individuals whose names are set forth in Schedule B hereunto annexed, together with the contracts with the Companies or either of them for the services of the said artists and individuals. The Productions Company shall not have the right to the exercise of said option until after the lapse of such period of time hereafter that would be sufficient to enable the Companies to produce two (2) consecutive motion pictures with the said artists portraying roles therein, it [928] being expressly understood, however, that the Companies may make two (2) motion pictures with each of said artists or may use said artists in only two motion pictures, at the option of the Companies. The Productions Company may exercise the option hereinbefore granted at any time after the lapse of the time necessary for the production of said two motion pictures and the right to the exercise of said option shall continue thereafter for a period of not less than six (6) months and for such period of time in addition to said six (6) months as the said deMille or the said Productions Company is associated with the Companies or either of them as a director or producer of motion pictures which are being released by or through Pathe or under agreement with Pathe, and shall continue for a period of thirty (30) days after the Companies notify the Productions Company that the



said relationship is terminated. The companies shall have the right to use the services of the said artists in the production of their motion pictures during said six (6) months' period and until said option has been exercised, and in the event any of said artists is appearing in the production of a motion picture at the time of the exercise of said option, then the Companies shall have the right to continue the use of the services of such artist until the services of the artist in such production are completed. The productions in which the actor and actress in Exhibit B named shall be required to appear, together with the part therein which they shall be required to portray, shall be subject to the approval of deMille as herein provided for.

The Companies agree and guarantee that until said option is exercised or the time for the exercise thereof has expired, they will keep and observe all of the terms of the contracts for the services of the said artists and individuals to be done, kept or performed by the Companies or either of them, and will keep the contracts for the services of the said artists and individuals, during such time, in good standing and will not commit any breach or [929] consent to a termination of the said contracts or any of them, and upon the exercise of said option by the Productions Company, the Companies will deliver said contracts and the services of the said artists and individuals to the Productions Company.

The Companies shall have the right to use the services of the said artists in the production of other

and additional motion pictures until said option is exercised, and during said time, may lend the services of the said artists to other companies upon condition, however, that the companies to which the services of the actor and actress in Exhibit B named are to be loaned, and the productions in which they are to appear and the parts which they are to portray in such productions, either while their services are so loaned, or in the pictures to be produced by the Companies, including the two motion pictures to be produced before the Productions Company has a right to exercise the said option herein provided for, shall be subject to the approval of, and must be first approved by deMille, and the said actor and actress in Exhibit B named shall not be required to perform their services for any company or in any production or in any part therein until the said deMille has approved the same.

The said deMille and the said Productions Company shall be entitled to the use of the offices and space now occupied by them in the executive building at the studios of the Pictures Company at Culver City, California, and the customary storage space and shelter for the articles described in said Schedule A, for the period of six (6) months from the date hereof, to wit until the 18 day of October, 1928, and shall also have the further right, during said period of time, to the use, without any charge therefor, of the film vault on the grounds at said studios, the cost of the erection of which said vault was paid by the said Productions Company and

which has been used for the storage of the films of the Productions Company and deMille.

The Productions Company and deMille are the owners of all of [930] the furnishings, furniture, equipment and fixtures contained in the main office, the library, the dining room, the kitchen and the pantry now occupied by the said deMille and the said Productions Company, together with a pair of iron or bronze gates used in the production of the "KING OF KINGS", and shall have the right to remove not only said furnishings, furniture, equipment and property, but also the lighting fixtures and any other fixtures in said rooms contained, at any time on or before thirty (30) days after the expiration of said six (6) months' period, during which they are to be permitted to occupy said quarters, as hereinbefore provided. In the event deMille and/or the Productions Company continue or renew the association of them or either of them with the Companies or either of them as producer or director, then the time during which said space may be so occupied and the time during which said above named articles may be removed shall be extended for the same period of time as the relationship of the said deMille and/or the said Productions Company with the Companies or either of them is renewed or extended.

The Companies shall pay, and as a part of the execution hereof have paid, to the said Productions Company the sum of Fifty Thousand Dollars (\$50,000) in cash, the receipt whereof is hereby acknowledged.

The Companies shall commence the release, sale and distribution of that certain motion picture directed by Cecil B. deMille under the title of "THE GODLESS GIRL", on or before the 1st day of January, 1929, and shall prosecute the release, sale and distribution thereof for a period of two (2) years from the date of the first release of said motion picture for general release, continuously and diligently and in a manner equal to the best approved methods and with equal diligence employed in the distribution of special motion pictures.

The Companies do hereby sell, assign, transfer and set over [931] unto the Productions Company forty per cent. (40%) of the gross amounts earned by said motion picture, "THE GODLESS GIRL", throughout the entire world, without any deductions therefrom, from the release, sale, exhibition or other use or disposition thereof, and the Productions Company does hereby make, constitute and appoint Pathe as its trustee for the purpose of collecting and receiving for the said Productions Company the said forty per cent. (40%) of said gross earnings, and to pay the same to the Productions Company at the times and in the manner described in said agreement of April 11, 1927, for the payment to the said Productions Company of the percentages of the earnings of the motion pictures heretofore produced under the terms of said agreement of April 11, 1927, the said gross earnings so collected by Pathe as trustee for the Productions Company as herein described shall be kept and maintained separate and apart from and not mingled with any other funds of



Pathe and shall be held by Pathe in trust until the payment thereof to the said Productions Company. Pathe hereby accepts said trust and agrees to collect said forty per cent. (40%) of said gross earnings from said motion picture, and to pay the same to the Productions Company in accordance with the terms hereof. Upon the payment to the Productions Company of the total sum of Two Hundred Thousand Dollars (\$200,000), together with interest thereon at the rate of six per cent. (6%) per annum from the date hereof until paid, the Productions Company shall assign, and transfer unto Pathe all of its right, title and interest in and to the said forty (40%) per cent. of said gross receipts and in and to the right to receive any further sum on account of the assignment of said forty per cent. (40%) as herein described, and after the payment to the said Productions Company of the said sum of Two Hundred Thousand Dollars (\$200,000), together with interest thereon as herein described, the said Productions Company shall not be entitled to receive any further amounts by reason of this assignment. The payment to the Productions [932] Company of the said forty per cent. (40%) of the said gross earnings of the said motion picture, "THE GODLESS GIRL", as hereinbefore provided for shall be in addition to the obligation of the Companies to pay to the said Productions Company the percentages from the said "THE GODLESS GIRL" and the percentages from the other productions, a percentage of the earnings of which is to be paid



to the said Productions Company under the terms of said agreement dated as of the 11th day of April, 1927, and hereinbefore referred to, and said agreement as it affects said percentages and each, every and all of the terms, covenants and conditions and obligations relating to said percentages are hereby ratified and confirmed and the terms thereof shall be strictly complied with; and in addition to the items shown in the reports required to be rendered to the Productions Company under the terms of said agreement of April 11, 1927, there shall be included similar reports and similar detail at the same times showing the amounts from the gross earnings of the said "THE GODLESS GIRL" to which the Productions Company is entitled under the terms hereof, which said amounts shall be paid to the Productions Company at the same intervals provided for the percentages to be paid under said agreement of April 11, 1927.

The Companies and each of them do hereby sell, assign and transfer unto the Production Company the percentages of the gross earnings of each of the productions made as provided for in said agreement of April 11, 1927, and do hereby agree to collect, receive for and pay to the Productions Company the same, as trustee for the said Productions Company, and do hereby further agree that all of the terms and provisions hereinbefore set forth with reference to said trust and the manner of carrying out and the performance of the same with reference to the said "THE GODLESS GIRL" shall apply to and be binding upon the Companies with reference

to the gross earnings of each of the motion pictures a percentage of which is to be paid to the said Productions Company as in the said agreement of April 11, [933] 1927, provided for.

The definition of gross earnings and gross receipts, together with the remaining terms and conditions provided for in said agreement of April 11, 1927, for the payment of the percentages therein provided for shall apply to and be binding on the parties hereto with reference to the payment of this additional forty per cent (40%) of the gross earnings of the said "THE GODLESS GIRL".

Pathe acquired certain policies of insurance on the life of deMille, which policies were originally issued at the request of the Famous Players Lasky Corporation, and are in the following amounts, and with the following companies and bear the following numbers:

New York Life Insurance Company, No. 6070461,  
\$50,000;

Guardian Life Insurance Company, No. 308118,  
\$50,000;

Travellers Insurance Company, No. 343308,  
\$100,000;

New York Life Insurance Company, No. 6070462,  
\$50,000;

Guardian Life Insurance Company, No. 308117,  
\$50,000;

Mutual Life Insurance Company, No. 467669,  
\$50,000.

Each of said policies has a cash surrender value computed according to the terms of said respective policies. The parties hereto contemplate the making

of a new agreement providing for the production of a motion picture or motion pictures to be directed and/or supervised by deMille and a motion picture or motion pictures to be supervised by deMille, personally. In the event such an agreement is not executed between the parties within thirty (30) days from the date of the execution of this agreement, the Companies shall transfer said policies to the Productions Company for a sum equal to the cash surrender value of said policies less any loan thereon which said sum shall be credited on the last installments of the Two Hundred Thousand Dollars (\$200,000) which the Productions Company is hereby entitled to receive from the proceeds of the motion picture, "THE GODLESS GIRL", and the said Two Hundred Thousand Dollars (\$200,000) which the Productions Company would otherwise be entitled to receive from the proceeds of said motion picture shall be reduced accordingly. ~~The cash surrender value of said policies and the amounts to be [934] deducted from the Two Hundred Thousand Dollars, accordingly, is the sum of.....~~  
~~.....Dollars (\$.....), and the amount which the Productions Company will be, consequently, entitled to receive after the transfer of said policies, from the said forty per cent (40%) of the earnings of the said motion picture production, "THE GODLESS GIRL", is the sum of.....~~  
~~.....Dollars (\$.....), together with interest thereon at the rate of six per cent (6%) per annum as herein otherwise provided for.~~ In the event the said new agreement for the pro-

duction of said motion picture or motion pictures to be personally directed by Cecil B. deMille and said motion picture or motion pictures to be supervised by the said Cecil B. deMille, is executed within the said period of thirty (30) days from the date of the execution hereof, then the said Pathe shall retain said policies of insurance on the life of the said deMille until the termination of said new agreement and upon the termination thereof, shall transfer said policies to the said Productions Company, and there shall then be credited upon the last installments of said Two Hundred Thousand Dollars (\$200,000) an amount equal to what at that time will be the cash surrender value of each of said policies, less any loan thereon and in the event the said Two Hundred Thousand Dollars has been entirely paid at the time of the termination of said new agreement or in the event that the amount thereof still unpaid is less than the cash surrender value of said policies at such time less any loan thereon then the Productions Company or deMille shall pay to the said Pathe in the first event the total cash surrender value of said policies less any loan thereon and in the second event, an amount equal to the excess of the cash surrender value of said policies less any loan thereon over the balance of said Two Hundred Thousand Dollars at such time remaining unpaid. Where the said sum of Two Hundred Thousand Dollars (\$200,000) is herein referred to it shall include interest thereon at the rate of six per cent. (6%) per annum as herein provided for. [935]



The Companies or one of them has the option to acquire the services of certain artists and individuals and to acquire certain property under existing contracts and agreements, a list of which said options is hereunto annexed and marked Exhibit C. In the event the Companies fail to exercise said options or any of them within ten (10) days prior to the date when the right to exercise such option will expire, it shall immediately notify the Productions Company of its failure so to do, and the said Companies and each of them do hereby grant, bargain, sell, assign and transfer to the Productions Company all their right, title and interest and claim of any and every kind in and to said options and each of them and the rights arising out of the same, each such assignment to become effective in the event, and only in the event of the failure of the Companies or one of them to exercise such options within the time hereinbefore limited. The rights hereby transferred shall apply severally to either one or more of the several options with reference to the contracts with each of said parties in said Exhibit C described.

The companies shall pay to the Production Company and to deMille the fixed money compensation amounting to a total of Seventy Five Hundred Dollars (\$7500) per week as provided for in said agreement of April 11, 1927, up to the 1st day of May, 1928.

The Companies and each of them do hereby grant, convey, sell, assign, transfer and set over unto the Productions Company the right to the use of the



insignia and trade mark now used by the Cecil B. deMille Pictures Corporation and which is printed on the stationery of the said Cecil B. deMille Pictures Corporation and which consists of a circle containing the words "CECIL B. DE MILLE PICTURES", and in the interior of the circle a black horse mounted by a knight in armor, and the Companies and each of them do hereby further agree that, as a result thereof, they shall not hereafter have the right to the use of the said insignia and trade mark and [936] the exclusive right to the same and to the use thereof is hereby transferred to and vested in the said Productions Company.

The Companies and each of them do hereby agree that deMille and the Productions Company may cause a print of each of the motion pictures either directed or supervised by deMille under the terms of said agreement of April 11, 1927, to be made, and may retain the same for their own use and as their own property, and the Companies do hereby sell, assign, transfer and set over unto the said deMille and the said Productions Company each of the prints so made together with the right to the use of the same, but with the express reservation that the said prints shall not, nor shall any of them, be used at any time for public exhibition nor shall the right to the use of the same at any time be granted to anyone for exhibition to the public.

Upon condition that each and every of the terms, covenants and obligations to be observed, done and

performed by the Companies and either of them, is done or performed at the time and in the manner herein provided, time being expressly made of the essence of this agreement, deMille and the Productions Company do hereby agree to relieve the Companies and each of them from the performance of the terms, covenants and conditions and obligations provided for in said agreement dated as of the 11th day of April, 1927, in favor of deMille and the Productions Company, except the provisions and obligations therein contained with reference to the payment to deMille and/or the Productions Company of percentages of the earnings of the motion pictures produced in accordance with the terms of said agreement, and except the provisions and obligations therein contained with reference to the use of the name deMille in connection with the Companies or the productions of the Companies, which said provision with reference to the use of the name of deMille as provided for in said agreement of April 11, 1927, shall be strictly and promptly observed and complied with. [937]

The last of the motion pictures percentages of the earnings of which are payable to the said deMille and/or the said Productions Company under said agreement of April 11, 1927, shall be the following: "SKYSCRAPER", "THE COP", "MAN-MADE WOMEN", "TENTH AVENUE" and "THE GODLESS GIRL", and said percentages shall apply to said productions and all productions theretofore made under said agreement of April 11, 1927,

but shall not apply to any motion pictures hereafter made without an express agreement in writing to that effect.

IN WITNESS WHEREOF, the Companies and the Productions Company have each caused this agreement to be executed by their duly authorized officers, respectively, and the said deMille has hereunto set his hand, all as of the day and year first above written.

[Seal]      PATHE EXCHANGE, INC.,  
By Joseph P. Kennedy  
CECIL B. DE MILLE PICTURES  
CORPORATION,  
By Joseph P. Kennedy  
CECIL B. DE MILLE PRODUC-  
TIONS, INC.,  
By Cecil B. deMille

Pres.

Gladys Rosson

Asst. Secy.

Cecil B. deMille [938]

## EXHIBIT B.

Attached to agreement executed April 18, 1928, between Pathe Exchange, Inc., Cecil B. deMille Pictures Corporation, Cecil B. deMille Productions, Inc., and Cecil B. deMille.

PHYLLIS HAVER  
GEORGE DURYEA  
J. MITCHELL LEISEN  
PEVERELL MARLEY

C. B. deM.

J. P. K. [939]

April 18, 1928.

To Cecil B. deMille and Cecil B. deMille Productions, Inc.

Gentlemen:—

Further supplementing the termination agreement dated the 18th day of April, 1928, which document is for the purpose of terminating the agreement between yourselves and Pathe Exchange, Inc. and Cecil B. deMille Pictures Corporation, with the exception of the terms thereof which it is expressly agreed shall not be cancelled, it is hereby agreed that the terms of Paragraph twentieth of the agreement between Cecil B. deMille and Cecil B. deMille Productions, Inc., Cecil B. deMille Pictures Corporation and Pathe Exchange, Inc. dated the 11th day of April, 1927, shall remain binding and effective upon the parties and particularly the said Pathe Exchange, Inc. and the said Cecil B. deMille Pictures Corporation shall have the right to continue to use the name Cecil B. deMille on and in connection with any and all motion pictures made under the terms of said agreement dated April 11th, 1927,

the last of which said pictures are SKYSCRAPER, THE COP, MAN MADE WOMEN, TENTH AVENUE, and THE GODLESS GIRL.

The execution of this agreement by the respective parties hereto shall constitute this a binding agreement by and between us.

PATHE EXCHANGE, INC.,  
By JOSEPH P. KENNEDY  
CECIL B. DEMILLE PICTURES CORPORATION  
By JOSEPH P. KENNEDY  
CECIL B. DEMILLE PRODUCTIONS, INC.,  
By CECIL B. DEMILLE, Pres.  
Cecil B. deMille [940]

Los Angeles, California  
April 18, 1928.

Cecil B. deMille Productions, Inc.,  
Mr. Cecil B. deMille,  
DeMille Studios,  
Culver City, California.

Gentlemen:

We have made on agreement terminating the present existing contract between Pathe Exchange, Inc., Cecil B. deMille Pictures Corporation, Cecil B. deMille Productions, Inc., and Cecil B. deMille, which termination agreement, it is planned, shall be executed contemporaneously with the execution of this letter. This letter is to supplement that agree-



ment and to be binding upon the parties as though made a part thereof.

You agree that you will not unreasonably withhold your approval of the productions in which the artists named in Exhibit B of said termination agreement are required to render and perform their services, nor of the part in such productions which they are required to portray.

It is further agreed that there shall be no obligation on the part of Pathe Exchange, Inc., or the Cecil B. deMille Pictures Corporation to exercise any of the options upon the services of the said artists or to enter into new agreements with them in order to comply with the terms of the option described in said termination agreement, but you must be notified ten (10) days before the date of the expiration of any option if the same is not to be exercised by us.

Our execution of this letter will constitute it a binding agreement between us.

Very truly yours

[Seal]

PATHE EXCHANGE, INC.,  
By JOSEPH P. KENNEDY  
CECIL B. DEMILLE PIC-  
TURES CORPORATION,  
By JOSEPH P. KENNEDY

ACCEPTED AND AGREED TO:

[Seal] CECIL B. DEMILLE PRO-  
DUCTIONS, INC

By CECIL B. DEMILLE

Pres.

Cecil B. deMille [941]

PETITIONERS EXHIBIT 12.

[Endorsed]: Admitted in evidence Dec 14 1933.

AGREEMENT, executed this 31st day of July, 1928, by and between CECIL B. DeMILLE PRODUCTIONS, INC., a California corporation, hereinafter referred to as "the producer", and METRO-GOLDWYN-MAYER CORPORATION, a New York corporation, hereinafter referred to as "Metro",

WITNESSETH:

WHEREAS, the parties hereto desire to contract for the production of three feature photoplays to be personally directed by Cecil B. DeMille, hereinafter referred to as "Mr. DeMille", it being understood that the term "photoplay" as used herein and unless otherwise agreed shall mean a motion picture production of a connected sequence and continuity of scenes of not less than seven thousand five hundred (7,500) lineal feet, (unless otherwise agreed) nor more than thirteen thousand (13,000) lineal feet, and that said term shall further include, but not be limited to, motion picture production of like length and character produced and/or exhibited with sound and voice reproducing devices, radio devices, and all other improvements and devices which are now or may hereafter be used in connection with the production and/or exhibition of motion picture productions; and

WHEREAS, said photoplays shall be produced by the producer for Metro and be distributed by Metro-

Goldwyn-Mayer Distributing Corporation, hereinafter referred to as the "distributor"; and

WHEREAS, said photoplays are to be produced, financed and distributed, and the proceeds thereof apportioned subject to the terms and conditions hereinafter more particularly set forth; [942]

NOW, THEREFORE, in consideration of the premises and of the terms, covenants and conditions hereinafter set forth,

IT IS AGREED:

1. The term of this agreement, insofar as the production of said photoplays is concerned, shall commence upon the execution hereof and shall continue thereafter, except as hereinafter provided, until all three of said photoplays have been completed and delivered as herein provided. The producer agrees, however, that all three of said photoplays will be so completed and delivered within three (3) years from the date of the execution hereof.

2. The producer represents and warrants that it has a contract with Mr. DeMille for the exclusive services of said Mr. DeMille during the entire period to be required for the production of the photoplays to be produced by the producer hereunder. The producer agrees that until all of the photoplays to be produced hereunder have been completed and delivered, neither the producer nor Mr. DeMille will produce, or render any other services in connection with, any photoplays except those deliverable hereunder, and it further guarantees and warrants that

until the completion and delivery of all of the photoplays to be produced hereunder it will not permit the name of Cecil B. deMille to be announced as the maker, director, or supervisor, or as interested in the production of any motion pictures or photoplays except those to be produced and financed hereunder and those heretofore produced, directed, or supervised by him. The producer does hereby specifically agree and guarantee that each of the photoplays to be produced hereunder will [943] be directed solely and entirely by Mr. DeMille personally and that said Mr. DeMille will render such services in connection with the production of each of said photoplays as are usually and customarily performed by a producer and director in the motion picture industry, which services include the selection of suitable stories, literary compositions, or other works upon which such photoplays shall be based, the selection of casts, the preparation or supervision of manuscripts, scenarios, and/or continuities for each such photoplay, the supervision and direction of filming, photography, titling, editing and cutting of each of said photoplays and the negative and positive prints thereof, and the rendering of any and all such other services in connection with each of said photoplays as may be necessary in order that the same may be produced and completed as the term "completion" is hereinafter defined. It is understood that by the phrase "completion of production", or its equivalent, as said term is used with reference to any photoplay to be produced hereunder



is meant the completion of two sample or master positive prints of such photoplay fully cut, titled and assembled and ready in all respects for distribution, and the completion of two negatives conformed to said sample positives, except as to so-called "talking" photoplays, in which event the general custom of producers as to the number of negatives shall prevail. Except as elsewhere in this agreement expressly provided, it is agreed that Mr. DeMille shall have and will be given sole and complete authority in any and all matters pertaining to the production of said photoplays, including the selection of the story, cast, and the selection and designing of any and all other things in connection therewith, the direction thereof, the cutting, titling, and assembling thereof, without any right of interference by anyone, but with the right on the part of Louis B. Mayer and Irving G. Thalberg to discuss matters of production [944] with Mr. DeMille. It is distinctly understood and agreed, however, *the* the producer's and Mr. deMille's judgment and discretion with reference to all matters and all acts in connection with which they or either of them are given authority under the provisions of this paragraph shall be exercised and done honestly and in good faith.

3. Mr. DeMille, by his acceptance of this contract, does hereby confirm, ratify and approve the rights granted to Metro under the terms of this contract, and, by such acceptance of this contract, does hereby expressly agree with and for the benefit of Metro that until the completion and delivery to Metro of all of the photoplays to be pro-



duced hereunder he will render his services as a producer and director solely and exclusively in and about the production and direction of said photoplays. Mr. DeMille further agrees that until the completion and delivery of all of the photoplays to be directed by him under the terms of this agreement he will not render his services as a director or as a producer in connection with the production of any motion pictures or photoplays other than those to be produced hereunder. Mr. DeMille further agrees that at the request of Metro he will permit his voice to be recorded on films and records for the purpose of exploiting and advertising the photoplays to be produced hereunder, and that until all of said photoplays have been completed Metro shall have the sole and exclusive right (subject only to rights heretofore granted by him with reference to photoplays heretofore produced) to use and reproduce such voice recordings and/or Mr. DeMille's name and photographs and other reproductions of his physical likeness for like purposes and not in connection with the advertising of any matter or thing except other productions made and/or distributed by Metro; and that Metro shall have the further right to make use of and reproduce Mr. [945] DeMille's voice, name and photographs or other reproductions of his physical likeness for like purposes at all times during the exploitation and/or distribution of the photoplays to be directed by him hereunder. Mr. DeMille, by his acceptance of this agreement, does hereby agree that the services to be rendered by him hereunder are of a special,

unique, unusual, extraordinary, and intellectual character which gives them a peculiar value, the loss of which to Metro cannot be reasonably or adequately compensated in damages in an action at law. Mr. DeMille does hereby expressly agree that Metro shall be entitled to injunctive and other equitable relief to prevent him from rendering his services in connection with the production or direction of any motion pictures or photoplays other than those to be produced hereunder until the completion and delivery of all of the photoplays to be produced hereunder. This provision, of course, shall not be construed as a waiver of any other rights which Metro may have in the premises, for damages or otherwise.

4. Inasmuch as it is customary for Mr. DeMille to make contributions, and frequently very substantial contributions, to the literary, dramatic, or other material upon which photoplays directed by him are based, and to the titles used in connection therewith, it is agreed that neither the producer nor Mr. DeMille shall be entitled to receive any compensation for such contributions; and that all rights of every kind and character in and to such contributions by Mr. DeMille shall belong solely and exclusively to Metro. It is agreed, however, that if any photoplay produced hereunder is based substantially upon an original story written by or under the supervision of Mr. DeMille, then only the sole and exclusive motion picture rights throughout the world in and to such original story shall vest in and [946] belong to Metro, it being agreed, however, that the term

“motion picture rights” as used herein shall include the right to produce and/or exhibit motion picture versions of such original story, which versions may be accompanied by sound and voice reproducing devices, radio devices, and all other improvements and devices which are now or may hereafter be used in connection with the production and/or exhibition of motion picture productions; and all rights necessary to produce and/or exhibit such motion picture version or versions of such original story, accompanied by sound and voice reproducing devices, radio devices, and such other improvements and devices, shall be and be deemed to be owned exclusively by Metro, and shall likewise include the right to publish synopses thereof (not exceeding 12,000 words in length) for publicity and exploitation purposes. Metro shall copyright or affix copyright notices to all synopses published by it wherever such copyright or notices shall be necessary to protect Mr. DeMille’s interest in such story.

5. (a) It is understood and agreed that each of the photoplays to be produced hereunder shall be announced and advertised as having been produced by the producer and released through Metro. The name “Cecil B. DeMille” shall be included in any and all paid publicity and advertising issued by Metro, in connection with each and every one of the photoplays produced under the terms hereof, and each such photoplay shall be announced as “A Cecil B. DeMille Production”, and in all such paid publicity and advertising, the name of Cecil B.

DeMille shall be in type as large in all dimensions as any other type used therein. The casual or inadvertent failure to comply with the provisions of this paragraph, however, shall not be or be [947] deemed to be a breach of this agreement.

(b) Each of the photoplays to be produced hereunder shall be released for exhibition as the same are constituted upon the completion thereof by the producer, and no changes, cuts, interpolations, additions to or subtractions therefrom of any kind, shall be made therein or thereto, except that changes may be made in said photoplays as finally completed, in order to conform to the requirements of censorship boards or other legally constituted authorities, and except also that such changes may be made in and to copies of said photoplays which are distributed in foreign countries, as may be necessary or advisable in order to facilitate the distribution and exploitation of such photoplays in foreign countries.

(c) Metro shall not be permitted to use any negative exposed in the production of the photoplays to be produced hereunder, as part of any other photoplay or photoplays, except, however, that if any parts of the photoplays to be produced hereunder may be properly classified as "stock shots" then, of course, Metro shall have the free and unrestricted use of such "stock shots".

6. Metro shall own and have the exclusive and complete control, right, title, and property, and all other rights of every kind and character in and to



the photoplays to be produced hereunder, as well as in and to any and all negatives and positive prints thereof and all parts thereof and all properties connected therewith, and in and to all sets, props, wardrobe, equipment, and other property or rights purchased or built for use in connection with the production of said photoplays. Such ownership and rights shall become vested [948] in Metro immediately upon the creation or manufacture of such property, or upon its purchase for use in said photoplays, as the case may be. The producer's rights shall consist of the right to receive an amount equal to certain percentages of the profits of said photoplays as elsewhere herein provided, and the producer shall have no interest in or to any of the property hereinabove in this paragraph referred to, or in or to its salvage value, except as herein otherwise provided with reference to re-makes of said photoplays or the sale of story rights, and except also that where any so-called "prop" or other article of a much higher quality or standard is purchased for use in connection with one of said photoplays and at the time of such purchase it is contemplated that the same will be sold immediately after its use in said photoplay has been completed, then, upon the sale of such prop or article, the net proceeds of such sale shall be credited against the cost of the photoplay to which the original cost of such prop or article was charged.

7. Said photoplays shall be produced solely at the Culver City studio of Metro (except where "location" work is necessary); and each and all of the



services and facilities owned, controlled, or furnished by or through Metro shall be used by the producer in the production of said photoplays. In no event shall the producer duplicate any department or service owned or controlled by Metro or which can be furnished by Metro or obtained through Metro. The producer shall incur all obligations in connection with the production of said photoplays only through the regular channels provided by Metro in connection with such matters. All contracts and agreements of every kind in connection with the production of said photoplays shall [949] be prepared by Metro and shall be entered into by and in the name of Metro. Wherever possible, the producer agrees to use the regular employes of Metro in connection with the production of said photoplays, provided, however, that in no event shall the producer have the right to use any of Metro's stars. In no event shall the producer require Metro to employ any artist or other person in connection with the production of any of said photoplays at a salary in excess of the usual and customary salary paid to such artist or other person by other producers. Metro agrees that it will pay the costs, liabilities, obligations and expenses incurred in or arising out of the manufacture and production of said photoplays as and when such costs, liabilities, obligations and expenses become due and payable, including insurance premiums; but nothing herein contained shall be construed so as to obligate Metro to pay any costs, liabilities, obligations or expenses in excess of the limitations elsewhere in this agreement ex-

pressly provided for, or to pay any costs, liabilities, obligations or expenses which are not permissible or proper under the terms and conditions of this agreement. It is understood that Metro shall have no discretion whatsoever as to any contract, or obligation, or payment to be entered into, or incurred, or paid by it at the producer's direction, on condition that the same be permissible and proper under the terms and conditions of this agreement.

8. No persons to be employed in connection with any of said photoplays shall be employed for more than the duration of such person's contemplated services in one photoplay without Metro's written consent first had and obtained. If such written consent is obtained and such person is thereupon employed by Metro under a so-called "long term" employment contract, then at any time after the completion of the photoplays to be produced [950] hereunder and until the termination of the original term of such employment contract and of any optional periods for which Metro may have exercised options granted to it under such contract, the producer may borrow the services of such person from time to time by paying to Metro the weekly salary which Metro is then paying such person, plus an amount equal to twenty-five per cent (25%) of such salary; provided, however, that Metro shall not be obligated to lend the services of such person to the producer at any time when such person is appearing in a production then being made, or is cast to appear in a production about to be made. In either of the

latter cases, if the producer at the time of its request for the services of such person signifies its willingness to accept such person on the completion of the production in which such person is then appearing, or in which such person is about to appear Metro shall deliver to the producer the services of such person upon the completion of such production, and the producer agrees to accept such services. No person may be borrowed by the producer from Metro under the provisions of this paragraph 8 unless such person's services are used by the producer in a photoplay directed or supervised by Mr. DeMille; nor shall the services of such person be so borrowed by the producer under the provisions of this paragraph more than once per year.

9. Each of said photoplays shall be known and designated as either "Class 'A'" or "Class 'B'". A Class "A" photoplay shall be a photoplay in connection with which the maximum amount to be expended by Metro hereunder shall be One Million Dollars (\$1,000,000.00). A Class "B" photoplay shall be a photoplay in connection with which the maximum amount to be expended by Metro hereunder shall be Seven Hundred Fifty Thousand Dollars (\$750,000.00). Each of the photoplays to be produced [951] hereunder shall be a Class "B" photoplay unless the producer, prior to the commencement of the production of such photoplay, designate the same to be a Class "A" photoplay, but the designation by the producer of any photoplay as a Class "A" photoplay shall not be binding upon Metro unless and until the express written consent

and approval of Metro to such Class "A" classification has been obtained. If Metro, within five (5) days after it has been notified by the producer of the designation of any photoplay as a Class "A" photoplay, refuses or fails to approve such classification, then and in that event the determination of the classification of such photoplay shall be made by Edwin J. Loeb, or by anyone whom said Edwin J. Loeb may designate, and the decision of said Edwin J. Loeb or of the person designated by him shall be binding upon the parties hereto. In no event shall any expense in excess of the aggregate sum of Twenty-five Thousand Dollars (\$25,000.00) be incurred in connection with any photoplay prior to ten (10) days after the completion of production of the next preceding photoplay produced hereunder, unless Metro's written consent to the incurring of any excess expenditures shall be first had and obtained.

10. As far in advance as possible of the commencement of production of each photoplay to be produced hereunder, the producer agrees to deliver to Metro a detailed working synopsis of the story on which such photoplay is to be based; and upon the completion of each continuity, or substantial part thereof, the producer agrees to deliver a copy of such continuity, or substantial part thereof, to Metro. As soon as sufficient information is available, and as far prior to the commencement of actual production as possible, the parties hereto shall fix a budget of approximately the amount which will be



required in defraying the cost of production of such [952] photoplay, and while the producer agrees that it will conscientiously and in good faith endeavor to keep within the limits set forth in such general budget, it is agreed that such budget shall in no wise be binding upon either of the parties hereto. Such budget shall, of course, set forth the items embraced therein and how the respective amounts therein set forth have been arrived at.

11. Metro does hereby agree to expend up to, but not exceeding, One Million Dollars (\$1,000,000.00) to cover the cost of each Class "A" photoplay produced hereunder and up to, but not exceeding Seven Hundred Fifty Thousand Dollars, (\$750,000.00) for each Class "B" photoplay to be produced hereunder, unless as to any photoplay of either classification Metro shall have agreed in writing to expend any sums in excess of such limitations. In the event that any Class "A" photoplay shall cost more than One Million Dollars (\$1,000,000.00), the producer will, and hereby undertakes and agrees to, furnish all moneys in excess of One Million Dollars (\$1,000,000.00) necessary to complete such photoplay. In the event that any Class "B" photoplay shall cost more than Seven Hundred Fifty Thousand Dollars (\$750,000.00), the producer will, and hereby undertakes and agrees to, furnish all moneys in excess of Seven Hundred and Fifty Thousand Dollars (\$750,000.00) necessary to complete such photoplay. The amounts so to be paid by the producer shall be paid by it to Metro weekly upon the presentation to the producer of statements and



vouchers showing moneys advanced or charges incurred by Metro during the preceding week.

12. If by reason of any catastrophe, which could not have been reasonably foreseen or provided against, the cost of production of any photoplay is thereby increased beyond the [953] limits specified herein, then and in that event such part of the increase in the cost of production of such photoplay as may be directly attributable to such catastrophe shall be advanced by Metro (even though Metro's contribution to such cost be thereby increased to more than the respective \$750,000.00 and \$1,000,000.00 maximum limitation hereinabove set forth), but in any event all amounts advanced by Metro shall be recouped by it as hereinafter in paragraph 25, subdivision "e", and in paragraph 26 provided. In no other event and for no other cause or causes except as in this paragraph 12 specifically set forth, shall Metro be obligated to furnish and advance in excess of \$1,000,000.00 for any Class "A" photoplay, or in excess of \$750,000.00 for any class "B" photoplay. The term "catastrophe" as used in this paragraph shall include the death of any important member of the cast of such photoplay, fire, earthquake, floods, etc.; but shall not include such causes as inclement weather, insubordination of any member of the cast, or any other casualty or contingency of similar dignity. Should any dispute arise between the parties hereto as to whether or not any casualty causing the cost of production to increase beyond the limitations herein set forth constitutes a catastrophe, then and in that event such increase in the

cost of production so caused shall be advanced in the first instance by the producer, and the question as to whether or not the cause of such increase is directly attributable to a catastrophe hereunder shall be determined by arbitration, in which event Metro shall select one arbitrator, the producer the second, and the two arbitrators so selected, if they cannot agree, shall appoint a third and the decision of the majority of the arbitrators so appointed shall be binding and conclusive on the parties [954] hereto. If such decision shall be that such increase was directly attributable to a catastrophe hereunder, then and in that event Metro shall reimburse the producer for the excess advances made by it on account of the increased cost directly attributable to such cause or causes.

13. On condition that the producer and Mr. DeMille fully and completely keep and perform each and all of their obligations hereunder, in addition to the percentages hereinafter provided to be paid the producer, Metro shall pay to the producer, in installments as hereinafter provided, the sum of One Hundred Seventy-five Thousand Dollars (\$175,000.00) for each Class "A" photoplay and One Hundred Fifty Thousand Dollars (\$150,000.00) for each Class "B" photoplay; which amounts shall be charged to and become a part of production cost and shall be paid by Metro to the producer as follows:

(a) The sum of Fifty Thousand Dollars (\$50,000.00) shall be paid to the producer in in-

stallments of Five Thousand Dollars (\$5,000.00) per week during the progress of the work preparatory to photographing. As to any Class "A" photoplay, the first installment of Five Thousand Dollars (\$5,000.00) shall be paid to the producer on the Saturday next following the day on which the classification of such photoplay shall have been agreed to in writing by Metro or determined by Edwin J. Loeb or his nominee as hereinabove provided. As to each Class "B" photoplay, the first installment of Five Thousand Dollars (\$5,000.00) shall be paid to the producer on the Saturday next following the commencement of actual work in the preparation of the literary or dramatic material to be used as the basis of such photoplay. Successive installments of Five Thousand Dollars (\$5,000.00) each shall thereafter be paid to the producer on Saturday *or* [955] each succeeding week during the work of preparation, until the sum of Fifty Thousand Dollars (\$50,000.00) has been paid to the producer; provided, however, that if the photographing of scenes of such photoplay shall have commenced prior to the full payment to the producer of said sum of Fifty Thousand Dollars (\$50,000.00), then the unpaid balance shall be paid to the producer within five (5) days after the commencement of the photographing of scenes of such photoplay.

(b) A further sum of Fifty Thousand Dollars (\$50,000.00) shall be paid to the producer in installments of Five Thousand Dollars (\$5,000.00) per week during the photographing of each photoplay; the first installment to be paid on the Saturday next

following the commencement of the photographing of scenes of such photoplay, and successive installments to be paid on Saturday of each week thereafter during the photographing of such photoplay until the sum of Fifty Thousand Dollars (\$50,000.00) has been paid to the producer; provided, however, that if the photographing of such photoplay shall have been completed prior to the full payment to the producer of said sum of Fifty Thousand Dollars (\$50,000.00), then the unpaid balance shall be paid to the producer within five (5) days after the completion of the photographing of such photoplay.

(c) 1. In the case of each Class "A" photoplay, a further sum of Thirty-seven Thousand Five Hundred Dollars (\$37,500.00) shall be paid to the producer in installments as follows during the cutting of each photoplay; the sum of Five Thousand Dollars (\$5,000.00) on the Saturday next following the commencement of the cutting of such photoplay, and a like sum of Five Thousand Dollars (\$5,000.00) on Saturday of each week thereafter during the cutting of said photoplay until the [956] sum of Thirty-five Thousand Dollars (\$35,000.00) has been paid to the producer, and the balance of Two Thousand Five Hundred Dollars (\$2,500.00) to be paid to the producer one week after the payment of the last of said installments of Five Thousand Dollars (\$5,000.00). If the first rough cut of said photoplay shall have been completed prior to the payment to the producer of said sum of Thirty-seven Thousand Five Hundred Dollars (\$37,500.00), then the unpaid bal-



ance shall be paid to the producer by Metro within five (5) days after the completion of such first rough cut; or

2. In the case of each Class "B" photoplay, a further sum of Twenty-five Thousand Dollars (\$25,000.00) shall be paid to the producer in installments of Five Thousand Dollars (\$5,000.00) per week during the cutting of such photoplay, the first installment to be paid on the Saturday next following the commencement of the cutting of such photoplay, and successive installments to be paid on Saturday of each week thereafter during the cutting of such photoplay until the sum of Twenty-five Thousand Dollars (\$25,000.00) has been paid to the producer; provided, however, that if the first rough cut of such photoplay shall have been completed prior to the full payment to the producer of said sum of Twenty-five Thousand Dollars (\$25,000.00) then the unpaid balance shall be paid to the producer by Metro within five (5) days after the completion of such first rough cut.

(d) The balance, to-wit, the sum of Thirty-seven Thousand Five Hundred Dollars (\$37,500.00) in the case of a Class "A" photoplay, or the sum of Twenty-five Thousand Dollars (\$25,000.00) in the case of a Class "B" photoplay, shall be paid to the producer within five (5) days after said photoplay has been cut, titled and assembled in final form.

[957]

14. Metro shall charge a flat rate, or sum, of One Thousand One Hundred Thirty-nine and 71/100



Dollars (\$1139.71) per day, or part thereof, for each camera day required to photograph each photoplay to be produced hereunder. Should any retakes be required after the completion of the main photographing, a flat charge shall be made of One Hundred Dollars (\$100.00) per hour for each hour or fractional part thereof required to rehearse and photograph the same. Such charges shall, of course, be charged to and become a part of production cost. In consideration of such charges, Metro agrees:

(a) To furnish, at its studio at Culver City, adequate stage space, (with due and reasonable regard for the requirements of other companies and units producing or expecting to produce photoplays at said studio, during the production period of each photoplay produced hereunder), available pro-rated sound stage space, available dressing rooms for cast and extras, the use of adequate projection and cutting rooms and machines, the use of available standing sets and any available wardrobe, props, flats, or similar equipment which may be owned by Metro and available at the time, but all changes and additions therein or thereto shall be charged for at cost. It is understood that such facilities may also be required by other producing units using said studio and that the extent of such facilities to be furnished to the producer hereunder, will be a fair pro-rata share based upon the proportion which said unit bears as to size to the size of the total number of producing units concurrently engaged in the production of photoplays at said studio; if more than such fair pro-rata share of such facilities is needed and is available, it will be furnished without charge.

(b) To permit the unit producing said photoplays to use, without charge, all direct electric current available from [958] stationary generators, concurrently with the use thereof by other producing units using said studio, it being understood that at all times said unit producing said photoplays shall be entitled to at least a fair pro-rata share of said current based upon the proportion which said unit bears as to size to the size of the total number of producing units concurrently engaged in the production of photoplays at said studio, such total part, however, not to exceed the reasonable capacity of such studio and its facilities and equipment. If more than such fair pro-rata share of such current is needed and is available, it will be furnished without charge; but if current in excess of such pro-rata share and of the amount available from said stationary generators is required, the actual cost of such additional current shall be charged to the cost of production. Current produced from gasoline motor generator sets shall be charged to cost of production at prevailing prices. Mazda and incandescent globes for lighting purposes shall be charged to cost of production at prevailing prices.

(c) To furnish the services and assistance of the executive organization of Metro as and when necessary.

(d) To furnish transportation, materials, and labor at cost, the latter to include, however, a pro-

portionate part of the expense of maintaining Workmen's Compensation Insurance, but the foregoing shall not apply to materials and labor not herein otherwise required to be furnished without charge. No charge shall be made in connection with so-called "test shots" except the actual cost of labor and material furnished in connection therewith. The executive organization of Metro, as that phrase is used herein, is not intended to cover or include the services of director, or assistant directors, cameramen and assistant cameramen, members of the cast or of any other persons directly engaged for or continuously employed in or assigned to the production of said [959] photoplays, and as to all such persons reasonably required for such productions and as long as they are actually engaged therein, and as to all facilities, and other matters or things furnished by Metro, and payment for which is not herein otherwise provided for, Metro shall be entitled to make the following charges which shall be charged to and before a part of production cost:

1. Where such persons are under written contracts or employment with Metro, at specified weekly salaries, and were not engaged specifically for the photoplays to be produced hereunder, the amount of such salary, plus twenty-five per cent (25%).
2. Where engaged specifically to render services in said photoplays, the exact amount of compensation paid to them.
3. Laboratory charges shall be made on the same basis as Metro may from time to time make such charges against its own productions.

4. All facilities and other matters or things, the payment of which is not herein otherwise expressly provided for and which should constitute a direct charge against said photoplays, shall be charged to and become a part of the production cost of the photoplay in connection with which the same was required, and shall be furnished at cost.

5. Inasmuch as many new problems will be presented in connection with the production of the photoplays to be produced hereunder, by reason of the application of sound recording and reproducing devices, and inasmuch as Metro and the producer appreciate the difficulty of calculating and estimating costs with reference thereto and particularly, the [960] difficulty of apportioning experimental costs against actual production costs, it is agreed that any such costs which may be traced and charged directly against any photoplay produced hereunder, shall be included as part of the production cost of such photoplay, and that the reasonable and proper pro-rata of any indirect costs shall be so charged. Should the parties hereto be unable to agree as to what constitutes direct charges or costs, or as to what constitutes a reasonable and proper pro-rata of indirect costs, the matter shall be determined by arbitrators to be selected as hereinafter provided.

6. Metro agrees to construct for the producer at the studio of Metro, a bungalow office building, the cost of which shall not exceed Fifteen Thousand Dollars (\$15,000.00) and also a film vault. Said



building shall be equipped and maintained by the producer and at the sole cost and expense of the producer, and the producer shall not be entitled to recoup, in any manner, any cost or expense so paid by it. The cost of the construction of said building and film vault shall be charged to and become a part of the cost of production of the photoplays produced hereunder, and said cost of construction shall be pro-rated equally between all of the photoplays produced hereunder. The equipment furnished by the producer, shall, of course, be and remain the producer's sole property. The building and film vault constructed by Metro shall be and remain its sole property, and the producer shall have no right to any salvage value thereof.

15. All other items of cost directly attributable to production and which are ordinarily and customarily treated as part of the production cost of motion pictures or photoplays, shall be entered and charged as a part of production cost, [961] including, among other things, the amounts paid the producer under the provisions of paragraph 13 hereof, and such other items as premiums for insurance permitted to be taken out and charged to cost of production, as elsewhere in this agreement provided, prop rentals, location expenses, wardrobe not owned by Metro, and all other items directly attributable to production which are ordinarily and customarily considered in the motion picture industry as properly chargeable to production costs of motion pictures or photoplays. In the event of any dispute between Metro and the producer as to whether any



item has been properly included as part of production cost, and in the event of their inability to agree, the matter shall be determined by arbitrators to be selected as hereinafter provided.

16. (a) The producer and/or Mr. DeMille agree to assign and/or cause to be assigned to Metro existing policies of insurance covering Mr. DeMille's life to the extent of Two Hundred Fifty Thousand Dollars (\$250,000.00), but as a condition to such assignment Metro shall pay, or cause to be paid, the present cash surrender value of such policies, and in no event shall such policies be so assigned unless it shall be impossible for Metro to procure adequate insurance coverage on Mr. DeMille on a so-called "term" basis at a lower rate of premium than is provided for in such existing policies. If after the completion of production of the photoplays to be produced hereunder the producer and/or Mr. DeMille should desire to have said existing policies re-assigned to them, or either of them, they shall pay to Metro such cash surrender value as such existing policies will have at the time of such re-assignment. If possible, Metro shall procure life insurance on a term basis covering Mr. DeMille to the extent of Two Hundred Fifty Thousand Dollars (\$250,000.00), and Mr. DeMille, by his acceptance hereof, agrees to assist Metro [962] by doing such act or acts and by signing such applications as may be reasonably necessary to procure such insurance; but such term insurance shall not be procured by Metro unless the cost thereof would be less than the cost of maintaining the existing policies herein-

above referred to or unless said existing policies are not assigned to Metro. The cost of such insurance for the period covering the production of the photoplays to be produced hereunder shall be charged against the production cost of said photoplays proportionately; and any recovery derived from any policy of insurance herein referred to shall be applied as is provided in paragraph 25 hereof for the application and apportionment of net receipts from the photoplays to be produced hereunder.

(b) Should Metro desire to obtain life insurance covering Mr. DeMille to the extent of more than Two Hundred Fifty Thousand Dollars (\$250,000.00), it shall have the right to do so and Mr. DeMille, by his acceptance hereof, agrees to assist Metro by submitting to the necessary medical examinations and by doing such other act or acts as may be reasonably necessary to procure such insurance. The cost of such excess life insurance procured under the provisions of this subdivision (b) of paragraph 16 shall be borne and paid solely by Metro and shall not be charged to the cost of production of any photoplay. The proceeds of all such policies so procured under the provisions of this subdivision (b) of this paragraph 16 shall belong solely and exclusively to Metro and neither the producer nor Mr. DeMille shall have any right, title, or interest whatsoever in or to such policies or the proceeds thereof.

17. It is agreed that either Metro or the producer may cause to be issued to Metro all forms of insurance customarily taken out by careful and

prudent producers of photoplays (other than insurance on the life of Mr. DeMille, which is hereinabove [963] otherwise expressly provided for), for the purpose of securing coverage against various hazards in connection with the production of said photoplays, and the premiums paid for such insurance shall be charged to and become a part of production cost, and the proceeds of such insurance shall be applied to pay or reduce the cost of production of the photoplay in connection with which the loss covered by such proceeds shall have occurred. It is agreed, however, that neither party hereto shall take out any health, accident, or illness insurance covering either Mr. DeMille or any other person interested in or connected with the production of said photoplays, without the written consent of the other party hereto.

18. The production of each of the photoplays to be produced hereunder shall commence as soon as is reasonably possible after the parties hereto have agreed upon the classification to which such photoplay shall belong, and production of such photoplay shall proceed thereafter continuously and diligently until the production of such photoplay has been completed.

19. The producer agrees to deliver to Metro, immediately upon completion of each photoplay to be produced hereunder, two sample or master positive prints of each photoplay, fully cut, titled, edited, and ready in all respects for distribution; together with the respective negatives of each of said photoplays (except as hereinabove otherwise

provided with reference to the negatives of "talking" photoplays); together with all negative and positive cut-outs, a sufficient number of still negatives for advertising and publicity purposes, and the customary and usual negative films for use in making trailers for advance theater advertising. The producer agrees to use all possible and diligent efforts in the utmost of good faith in an endeavor to avoid said photoplays being censorable in any part [964] of the world or offending the traditions or prejudices of any nation, creed, or country. If the commercial marketability of any of the photoplays to be produced hereunder and/or of any other photoplay or photoplays produced by Metro or distributed by the distributor shall be materially affected because any of the photoplays to be produced hereunder offend the traditions or prejudices of any nation, creed, or country, the producer agrees to make such changes (even for distribution in the United States) in and to such photoplay produced hereunder as may be required to eliminate the cause thereof. If the exigencies of the case so require, Metro may entirely or partially withhold from distribution the particular photoplay produced hereunder concerning which such question has arisen.

20. Metro shall advise the producer daily as to the cost of production to date; it being understood, of course, that the information so furnished by Metro will be as accurate an estimate as may be reasonably possible; but such statements or esti-



mates shall in no wise be binding upon either of the parties hereto, nor shall Metro be accountable for or prejudiced by any error or errors appearing in such statements or estimates. Within sixty (60) days following the completion of each photoplay, or as soon after the expiration of said sixty days as may be reasonably possible, Metro shall deliver to the producer a statement showing the certified cost of production of such photoplay to the extent that figures then available will show such cost. At any time and from time to time thereafter, as and when further items appear which may be chargeable against the cost of production of such photoplay, the same shall be so charged and the cost of production altered accordingly. Access shall be given at all reasonable times by Metro to the producer to the books, records, and accounts of Metro, so far as they pertain to the production [965] of such photoplays, so that the producer, or its representatives, may check and audit the certified cost of production. Should any errors be disclosed by reason of such audit or otherwise, a proper adjustment shall be made by the parties hereto. Metro agrees to keep full, true, and accurate books of account in the customary form and manner of all costs, expenses, and charges in detail incurred in the production of each of said photoplays and to preserve all original records, memoranda, and vouchers relating to such costs, expenses, and charges and to the production of said photoplays. In the event that it is necessary for the producer to advance any money, as hereinabove in paragraph 11 provided, all such money



shall be paid by the producer to Metro as in said paragraph provided, and no obligation shall be incurred by it or disbursement made except through Metro; and all records, memoranda, or vouchers relating to any costs, expenses, or charges made or incurred by the producer, if delivered to the producer for any reason whatsoever by any third party, shall immediately be delivered by the producer to Metro.

21. Within a reasonable time after the delivery to the distributor at New York of the domestic negatives and sample positive prints of each photoplay, such photoplay shall be released for distribution in the United States. The charges to be made by the distributor (in addition to those specified in subdivisions (a) to (d), both inclusive, of paragraph 25 hereof), and the principal conditions governing distribution, shall be substantially as follows, to-wit:

(a) The distributor shall retain, as compensation for its services as such, thirty per cent (30%) of the gross receipts received by it from the distribution in the United States, including Hawaii and Alaska but not its other territorial possessions, of each photoplay. In all other territories throughout [966] the world the distributor shall be entitled to deduct from all receipts actually collected by it from the sale, use, rental, or other disposition of each such photoplay in such territories, the following, to-wit: the actual costs and expenses of the distribution, sale, use, rental, or other disposition of photoplays in each such territory, together with an amount

equal to fifteen per cent (15%) of the receipts actually collected by it from such foreign territories to cover the expenses for maintenance of the distributor's foreign distribution department in its New York offices. The balance remaining after the deduction of said thirty per cent (30%) for domestic distribution and after the deduction of the amounts hereinabove referred to for foreign distribution shall be paid to Metro by the distributor and applied in the manner hereinafter in paragraph 25 provided.

(b) The distributor shall agree to furnish and supply, at its own cost and expense, ordinary and usual trade journal advertising, but shall not be required to pay for special exploitation or advertising.

(c) The distributor shall permit the inspection of its books as hereinafter in paragraph 22 provided for.

(d) The distributor shall, at its own cost, furnish for distribution to the exhibitors in the United States an adequate supply of first class lithographs and other accessories. The distributor may sell, rent, or otherwise dispose of, to exhibitors or to others, any and all such lithographs and other accessories, and all moneys realized from such sale, rental, or other disposition shall belong to and be retained by the distributor; but no loss incurred in connection therewith shall be charged to the producer.

(e) The distributor shall have the right to synchronize to sound effect and music each of the photoplays to be produced [967] hereunder, and shall

recover the cost thereof as hereinafter in paragraph 25 subdivision (c) provided.

(f) The distributor shall have the right, if it so desires, to have songs and other musical compositions composed and written for use in connection with the exploitation of any of said photoplays. The distributor shall also have the right to have such songs and music published as sheet music and to have such songs and music reproduced mechanically as phonograph records or otherwise, and to license others so to do. All costs incurred by the distributor in connection with the foregoing may be recouped by the distributor as hereinafter in paragraph 25 subdivision (d) provided for, but any net profits remaining after all such expenses have been deducted shall be applied and disbursed in the manner and order hereinafter in paragraph 25 subdivisions (e) to (g), both inclusive, provided.

(g) Said photoplays shall be distributed pursuant to such other terms and conditions as are ordinarily or reasonably practiced or required by distributors and so-called national distribution corporations.

22. Metro shall furnish the producer, monthly during the first eighteen (18) months of the distribution of each photoplay hereunder and quarterly thereafter, full, accurate, and detailed reports of all money received and business done by the distributor as to each photoplay, together with the application thereof, and shall likewise furnish to it duplicates of all reports delivered to it by the distributor in connection with the bookings and gross

income from such photoplays, such duplicate reports to be delivered by Metro to the producer within one (1) week after the same have been received by Metro. If any amounts are shown by such reports to be due the producer, checks in the amounts so shown to be due shall be delivered to the producer not later than two (2) weeks after such reports are furnished. The producer may, through certified public accountants or duly authorized representatives, inspect [968] the books and records of Metro, as well as of the distributor, so far as they relate to the photoplays to be produced hereunder, at reasonable times during office hours.

23. It is agreed, however, that in the event of any laws, decrees, contingents, compensations, quotas, rates of exchange, inflation or deflation of currency, unstable governments, war, riots, strikes, boycotts, anti-American agitation, national, class, racial, or religious upheavals, epidemics, or any other event of a general nature beyond the control of the distributor affecting business in general or the motion picture business in particular in any territory in the world, which shall increase the cost of distribution in such territory beyond the percentages hereinabove in paragraph 21 subdivision (a) provided to be paid for distribution, the distributor shall have the right to withhold and keep a percentage of the total gross receipts received by it from all sources in such territory which shall equal the actual cost of distribution to the distributor in such territory during the continuance of such event beyond its control.



24. It is distinctly understood and agreed by and between the producer and Metro that the distributor shall have the exclusive, sole, and complete right (without let or interference by any third party or by the producer) to distribute each of said photoplays throughout all countries and parts of the world, in perpetuity (except as in paragraph 28 hereof provided). The producer recognizes that the distributor distributes a large quantity of photoplays each year, that most of such photoplays are made for the distributor by Metro, which is a subsidiary of the distributor, and that the distributor and its subsidiaries, and officers, directors, and stockholders, of the distributor and its subsidiaries, own theaters and chains of theaters in which the photoplays to be produced and delivered hereunder will be exhibited. [969] Because of the foregoing and because of the circumstances surrounding the distribution of a large number of photoplays, the inherent difficulties and uncertainties of ascertaining proper exhibition values and contract prices for photoplays, and because the producer recognizes that the best results will be obtained if the distributor is given complete authority, the producer is willing to and does hereby vest in the distributor the right to distribute said photoplays under any plan or plans under which the distributor now distributes or hereafter *many* distribute photoplays produced by Metro, including, of course, the right to lease each photoplay to be produced hereunder and to make all booking, leasing, and/or rental contracts for the exhibition thereof, the granting to



others of the right to distribute and exhibit positive prints of each of said photoplays, the right to make, alter, or cancel contracts involving the distribution or exhibition of said photoplays, or any of them, and the right to adjust and settle all disputes with exhibitors, licensees, and other persons, including the right to make allowances to exhibitors, licensees, and other persons and the right to give credit in connection with any transaction and to adjust claims therefor. The foregoing rights shall apply both to the domestic territory and to all foreign territories. It is the intent and purpose of this agreement that absolute and sole control and discretion with reference to all matters involving the distribution of the photoplays to be produced by the producer hereunder shall be vested solely and exclusively in the distributor and shall be exercised by the distributor in such manner as in its sole judgment and discretion may be deemed consistent with the requirements of good business practice; but it is distinctly understood and agreed that the distributor's judgment and discretion with reference to such matters and all acts done by the distributor shall be exercised [970] and done honestly and in good faith.

25. The sums remaining after the charges hereinabove in paragraph 21 subdivision (a) referred to have been deducted, as to each respective photoplay, shall be applied and disbursed as follows, in the order designated:

(a) First, in repayment of the distributor's dues to Motion Picture Producers and Distribu-

tors of America, Inc. on account of such photoplay.

(b) In repayment of censorship fees and expenses, and in repayment to the distributor of charges such as those for trailers, reels, cans, containers, transportation, insurance, imposts, duties, and taxes directly resulting from its distribution of said photoplays, and such other charges as are customarily charged by distributors to producers.

(c) Thereafter, in repayment of the cost of original and replacement positive prints for distribution and of the charges covering color photography or special color printing, and of the cost of sound effect and musical synchronization hereinabove in paragraph 21 subdivision (e) provided for. None of said items, however, shall be included as part of production cost.

(d) Thereafter, in repayment of the cost of special advertising and exploitation and in repayment of the costs and expenses incurred pursuant to the provisions of paragraph 21 subdivision (f) thereof.

(e) Thereafter, for the concurrent and proportionate recoupment of the items hereinafter in this subdivision (e) specified.

(1') In repayment of all sums of money advanced and charges made by Metro in connection with such photoplay; and, in addition, the further sum of One Hundred Seventy-Five Thousand Dollars (\$175,000.00) shall be paid to and retained by Metro in the case of each Class "A" photoplay, and the further sum of One Hundred Fifty Thousand Dollars (\$150,000.00) shall be paid to and retained

by Metro in the case of each Class "B" photoplay. [971]

(2') If the producer shall have advanced any moneys for production cost, as hereinabove in paragraph 11 provided, then

(a') In the case of a Class "A" photoplay, such advances so made by the producer up to, but not in excess of One Hundred Seventy-five Thousand Dollars (\$175,000.00) shall be paid to the producer concurrently with the recoupment by Metro and the payment to Metro of its advances and charges in connection with such photoplay; and for the purpose of this paragraph 25 and of paragraph 26 of this agreement alone, the sum of One Hundred Seventy-five Thousand (\$175,000.00) Dollars to be paid to and retained by Metro in the case of each Class "A" photoplay, as hereinabove in sub-paragraph (1') of subdivision (e) of this paragraph 25 provided, shall be deemed to be an advance made by Metro. Out of each dollar so recouped or retained, the amount paid to the producer shall bear the same ratio to the amount recouped and retained by Metro as the amount contributed by the producer (but not in excess of One Hundred Seventy-five Thousand Dollars (\$175,000.00) bears to the amount advanced by Metro, including, of course, the One Hundred Seventy-five Thousand Dollars (\$175,000.00) to be paid to and retained by Metro as hereinabove in sub-paragraphs (1') of subdivision (e) of this paragraph 25 provided.

(b') In the case of a Class "B" photoplay, such advances so made by the producer up to, but not in

excess of One Hundred Fifty Thousand Dollars (\$150,000.00) shall be paid to the producer concurrently with the recoupment by Metro and the payment to Metro of its advances and charges in connection with such photoplay; and for the purpose of this paragraph 25 and of paragraph 26 of this agreement alone, the sum of One Hundred Fifty Thousand Dollars (\$150,000.00) to be paid to and [972] retained by Metro in the case of each Class "B" photoplay, as hereinabove in sub-paragraph (1') of subdivision (e) of this paragraph 25 provided, shall be deemed to be an advance made by Metro. Out of each dollar so recouped or retained, the amount paid to the producer shall bear the same ratio to the amount recouped and retained by Metro as the amount contributed by the producer (but not in excess of One Hundred Fifty Thousand Dollars (\$150,000.00) bears to the amount advanced by Metro, including, of course, the One Hundred Fifty Thousand Dollars (\$150,000.00) to be paid to and retained by Metro as hereinabove in sub-paragraph (1') of subdivision (e) of this paragraph 25 provided.

(f) Thereafter, in repayment of all sums in excess of One Hundred Seventy-five Thousand Dollars (\$175,000.00) on Class "A" photoplays and in excess of One Hundred Fifty Thousand Dollars (\$150,000.00) on Class "B" photoplays advanced by the producer as required under the provisions of paragraph 11 hereof.

(g) All funds thereafter accruing shall be called "profits," and be divided between Metro and the producer as follows:



(1') In the case of Class "A" photoplays, sixty per cent (60%) thereof shall be retained by Metro and an amount equal to forty per cent (40%) thereof shall be paid to the producer.

(2') In the case of Class "B" photoplays, fifty per cent (50%) thereof shall be retained by Metro and an amount equal to fifty per cent (50%) thereof shall be paid to the producer.

26. All photopalys produced hereunder shall be considered as a unit for the purposes of recoupment. In the event that either party shall not be able to recoup itself in the order and manner hereinabove in paragraph 25 specified for its advances on any of such photoplays out of the available receipts of such photoplay (the balance remaining after the deduction of all [973] distribution charges hereinabove in paragraph 21 subdivision (a) and hereinabove in paragraph 25 subdivisions (a) to (d), both inclusive, specified being herein termed "available receipts"), it shall have the right to recoup itself out of the available receipts of the other photoplays (after all advances on account of such other photoplays have been recouped) for the deficiency on account of the advances on such unre-couped photoplay or photoplays, but all recoupment out of such other photoplays shall be in the order and manner hereinabove in paragraph 25 specified. The receipts payable on any one photoplay shall not be withheld to permit recoupment for unre-couped advances on another photoplay until eighteen (18) months have elapsed from the general American release date of the photoplay on account



of which such advances have not been recouped. Commencing eighteen (18) months after the release date of any photoplay as to which either party has not recouped its advances, the available receipts thereof and of any other photoplay as to which both parties hereto have recouped their advances shall be applied to enable the parties hereto to recoup their respective advances in the order and manner hereinabove in paragraph 25 specified. Any moneys paid to or retained by either Metro or the producer as their share of the profits of any photoplay as to which both parties have recouped their advances shall be respectively repaid, ten (10) days after notice, and used for the purpose specified in this paragraph 26.

27. In the event of the reissue at any time prior to the readjustment provided for in paragraph 28 hereof of any of the photoplays to be produced hereunder, the producer shall be entitled to the percentages provided for in paragraph 25 to be paid to the producer, but shall not be entitled to any other compensation or remuneration in connection therewith. Nothing herein contained shall be construed to obligate Metro to reissue [974] any of said photoplays. Prior to the readjustment provided for in paragraph 28 hereof as to any photoplay, such photoplay shall not be remade, nor shall the motion picture rights in or to the literary or dramatic material upon which the same is based be sold, without the written consent of both of the parties hereto.

28. It is understood and agreed that at the expiration of the tenth year following in each instance

the date of the first American general release of each of the photoplays to be produced hereunder the foreign and domestic negatives and all positive prints of such photoplays which Metro may have on hand or under its control shall be disposed of in a manner to be mutually agreed upon by both of the parties hereto, and in the event that said parties cannot agree, Metro shall, as to the first photoplay, submit to the producer in writing the amount of cash for which it is willing to sell to the producer Metro's interest in such photoplay, including Metro's rights in the literary material and copyrights thereon, and Metro agrees that in the event of the refusal of the producer to pay such sum within thirty (30) days thereafter, Metro will pay to the producer such amount, in the case of a Class "A" photoplay, for all of the producer's right, title, and interest in and to such photoplay and for its interest in the net profits of such photoplay; and as to the second photoplay, the producer shall so name and submit to Metro in writing the amount of cash for which it is willing to sell to Metro its interest in such photoplay and the proceeds thereof, and the producer agrees that in the event of the refusal or failure of Metro to pay such sum within thirty (30) days thereafter, the producer will pay to Metro such amount, in the case of a Class "B" photoplay, or such amount plus a further amount equal to fifty per cent (50%) thereof in the case [975] of a Class "A" photoplay, for Metro's interest in such photoplay. The procedure relative to the third photoplay shall be the same as that hereinabove provided for with reference to the first photoplay. It is intended

that the party so making such offer shall purchase the rights of the other party in and to said respective photoplays, and the party to whom such offer is made shall sell such rights to the other party, upon the refusal or failure to purchase such rights by the party to whom such offer is made, all as aforesaid. The foregoing provisions of this paragraph, however, shall not apply to any photoplay in the event that upon the expiration of such tenth year either party hereto shall not have fully recouped all amounts as to which it is entitled to recoupment from the proceeds of such photoplay; but upon such recoupment the provisions hereinabove in this paragraph 28 provided shall apply.

29. The producer agrees that it will conscientiously and in good faith use great care to see that before commencing production on any photoplay full and proper copyright and the motion picture rights and all other necessary rights in and to all literary material used by it in the production of any photoplay hereunder shall be free and clear; and that such literary material shall not infringe upon the copyright or any other right or rights of any person, firm, or corporation whatsoever. If it should be necessary to prosecute any suit or action against any third party in the case of any infringement or attempted infringement or unfair trade or competition by such third parties, involving any of said photoplays; or if any third party sues or threatens to sue the producer or Metro for any infringement or any copyrights or title or interest in any literary

material used in any of said photoplays, or because of unfair trade or competition respecting such photoplays, then and in that event [976] the parties hereto shall jointly defend or prosecute such suits or actions, as the case may be; and all costs, expenditures, attorneys fees, damages, and judgments made, suffered, or incurred by Metro and/or the producer shall be borne and paid by the parties hereto as follows: as to any Class "A" photoplay, sixty per cent (60%) thereof shall be paid by Metro and forty per cent (40%) thereof shall be paid by the producer; and as to any Class "B" photoplay, fifty per cent (50%) thereof shall be paid by Metro and fifty per cent (50%) thereof shall be paid by the producer. Such payments shall be made by each of the parties in cash, at the time or times required, in connection with the prosecution or defense of any such suits or threatened suits, and neither party shall be entitled to recoupment for its proportionate share of such costs, expenditures, attorneys fees, damages, or judgments. In the case of any recovery by Metro and/or the producer against third parties by reason of such suits, the proceeds from such recoveries shall be divided between Metro and the producer in like manner, to-wit; as to any Class "A" photoplay, sixty per cent (60%) thereof shall be paid to Metro, and forty per cent (40%) thereof shall be paid to the producer; and as to any Class "B" photoplay, fifty per cent (50%) thereof shall be paid to Metro and fifty per cent (50%) thereof shall be paid to the producer. In no event shall either



party hereto be liable under the provisions of this paragraph 29 for any fees paid to any attorney or attorneys other than such attorney or attorneys as may be retained by the mutual consent of the parties hereto.

30. Should Mr. DeMille become incapacitated, by physical or mental disability or illness or otherwise, from rendering the services to be performed by him hereunder, and should such incapacity continue for an aggregate of periods of [977] more than six (6) weeks, or for a continuous period of four (4) weeks after the commencement of photographing of any photoplay, Metro may abandon the production of such photoplay, or, at its option, Metro shall have the right, but not the obligation, to complete such photoplay and to employ another director to direct the same. In any such case of incapacity, if Metro abandons the production of such photoplay the term of this agreement shall be extended for a period equivalent to the period or aggregate of periods of such incapacity, and the photoplay so abandoned shall not constitute one of the three photoplays herein provided for, except for recoupment purposes, as hereinafter in this paragraph 30 expressly provided. If Metro elect to complete any photoplay and to employ another director to direct the same after such incapacity on the part of Mr. DeMille, then the photoplay so completed by Metro shall be and be deemed to be one of the three (3) photoplays to be produced hereunder. During any period of incapacity on the part of Mr. DeMille,



Metro, at its option, may suspend all payments of compensation referred to in paragraph 13 hereof, but upon the resumption by Mr. DeMille of his services hereunder (if Metro shall not have abandoned production as to such photoplay) Metro shall proceed to make payments as herein provided. This agreement may likewise be terminated by Metro at any time in the event of Mr. DeMille's death. If prior to the expiration of any aggregate of periods of six (6) weeks or of any continuous period of four (4) weeks of incapacity on Mr. DeMille's part it is apparent that such incapacity will continue beyond an aggregate of periods of six (6) weeks or continuous period of four (4) weeks, then Metro may forthwith exercise any rights which it would otherwise be entitled to exercise after the expiration of such aggregate of periods of six (6) weeks or of such continuous period of four (4) weeks. Should Metro, in the event of such illness or [978] incapacity on the part of Mr. DeMille, exercise the right hereinabove granted to it of completing any photoplay the photographing of which was commenced by Mr. DeMille, and of employing another director to direct the same, the producer shall retain its right to receive an amount equal to the respective percentages of the net proceeds to which it is entitled under the provisions of subdivision (g) of paragraph 25 hereof; but Metro shall not be obligated to make any further payments to the producer under the provisions of paragraph 13 hereof until the completion of production of such photoplay, at which time Metro shall deduct from the total amount

of compensation due the producer under the provisions of said paragraph 13 the amounts theretofore paid to the producer under the provisions of said paragraph 13 and also the amounts paid by Metro to any other director or directors employed by Metro in completing the production of such photoplay, and shall then pay the balance then remaining, if any, to the producer. Such photoplay may, of course, be advertised as having been produced by the producer and directed by Mr. DeMille. If the production of any photoplay to be produced hereunder be abandoned, either because of the death of Mr. DeMille at any time either prior to or after commencement of photographing, or because of illness or incapacity on the part of Mr. DeMille during the photographing thereof, then all charges accrued on account of such photoplay so abandoned shall be charged to and become a part of, and be recouped in the same manner as, the cost of production of the next preceding photoplay theretofore completed. In no event shall the addition of such charge, if the same cause the cost of production of such preceding photoplay to exceed the maximum limitations hereinabove set forth, impose upon the producer any obligation to advance such excess, but any excess so caused shall be recouped by Metro [979] in the same manner as its other advances in connection with such photoplay are recouped. If, however, Metro elect to exercise the right hereinabove in this paragraph 30 granted to it, of completing any photoplay and of employing another director to direct the same, and if the cost of pro-

duction of such photoplay so completed by Metro shall exceed the maximum limitations hereinabove in paragraph 11 specified, then all questions as to the payment in the first instance, and the recoupment, of any such excess above such maximum limitations shall be determined by arbitrators to be selected as hereinafter provided.

31. Metro shall furnish to the producer one complete positive print of each photoplay produced by the producer hereunder, and the producer agrees that said print will be used for private purposes only and will never be publicly exhibited or exhibited in any case for profit. The cost of the positive print of each photoplay to be furnished by Metro to the producer as in this paragraph provided shall be paid by the producer to Metro and shall not be charged to production cost nor recouped by the producer in any manner.

32. (a) Notwithstanding anything elsewhere contained in this agreement, it is understood and agreed that Metro shall have the right at any time to terminate this agreement as to any photoplays upon which the photographing has not been commenced, by serving notice in writing of such termination upon the producer at any time but not later than thirty (30) days after the completion of any photoplay hereunder. If such notice shall be received by the producer during the photographing of any photoplay, then and in that event such notice shall be effective upon the completion of production of the photoplay then being photographed; if, however, such notice is received by the producer prior to the

commencement of photographing of any photoplay and not later than [980] thirty (30) days after the completion of the next preceding photoplay, then such notice shall take effect immediately. In no event shall any expense or obligation whatsoever be incurred by the producer after the receipt of such notice of termination in connection with any photoplay or photoplays as to which this agreement is so terminated. In the event of any such termination of this agreement by Metro the rights and obligations of the parties hereto under this agreement in and to all photoplays produced prior to the effective date of such termination shall continue and remain in full force and effect; it being agreed that such termination shall merely relieve the parties hereto of any and all rights and obligations as to any photoplays not then completed. It is further agreed that this right of termination shall be vested solely in Metro and that the producer shall have no such right to terminate this agreement (except in the manner hereinafter provided in subdivision (b) of this paragraph 32 specified) by reason of the fact that such right on the part of the producer would jeopardize Metro's right to recoument from the proceeds of subsequent pictues. In the event of any termination of this contract by Metro, the producer shall have the right, at its option, to purchase from Metro, and Metro shall be obligated to sell to the producer, any literary or dramatic material theretofore purchased or prepared for use in connection with any photoplay as to which this agreement shall have been terminated; and the price to be paid by the



producer to Metro for such material shall be an amount equal to the aggregate of all charges accrued in connection with the photoplay in connection with which such material was intended for use hereunder. If this right or option is not exercised by the producer and the material so purchased by it, then all charges accrued on account of any photoplay as to which this contract may be terminated shall be charged [981] to and become a part of, and be recouped in the same manner as, the cost of production of the next preceding photoplay theretofore completed. In no event shall the addition of such charge, if the same cause the cost of production of such preceding photoplay to exceed the maximum limitations hereinabove set forth, impose upon the producer any obligation to advance such excess, but any excess so caused shall be recouped by Metro in the same manner as its other advances in connection with such photoplay are recouped.

(b) In the event of any failure on the part of Metro to carry out or perform any of the terms of this agreement required to be done or performed by it, and if such failure or default shall continue for a period in excess of ten (10) days after the receipt by Metro of written notice of the alleged default, the producer shall have the right to terminate this agreement, provided, however, that the producer shall not have the right to terminate this agreement by reason of any default of an immaterial, trivial, or inconsequential nature or by reason of any default that cannot be cured or remedied unless such latter default materially affects the rights of the



producer hereunder. In the event that Metro claims that it is not in default, after receipt of notice thereof from the producer, or in the event that it claims that such default is insufficient to justify the termination of this agreement by the producer, the matter shall be determined by arbitrators to be selected as hereinafter in paragraph 33 provided, and such arbitrators, if they find in favor of the producer, in lieu of terminating this agreement may impose such terms and conditions on Metro as to them may seem fit, and the prompt performance and satisfaction by Metro of such terms and conditions shall entitle Metro to continue this agreement in full force and effect, as though no such default had occurred. [982]

33. (a) Wherever arbitration is provided for under this agreement the same shall be conducted in the city of Los Angeles, California. Unless otherwise herein expressly provided, such arbitration shall be initiated by either party by appointing an arbitrator and serving a written notice upon the other party naming such arbitrator and setting forth the matter or situation concerning which a dispute, controversy, contention, or claim exists or is claimed to exist and concerning which a determination is sought in said arbitration. Such notice shall be served either personally or by registered mail, addressed to such other party. Within five (5) days after the service of such notice, if served personally, or within seven (7) days after such notice is mailed, if sent by registered mail, the party upon whom such notice is served shall appoint an arbi-

trator and serve upon the other party a notice naming the arbitrator so appointed, such notice to be served personally or by registered mail. In the event that such second arbitrator is not so named by the party required to name such arbitrator, then and in such case the party who has named the first arbitrator may also name such second arbitrator, and in such event the party so naming said second arbitrator shall serve upon the other party a notice stating that it has appointed such second arbitrator and naming such arbitrator, such notice to be served personally or by registered mail. Personal service of notice hereunder shall be deemed to mean personal service upon any officer of the party to be served.

(b) The two arbitrators so elected shall immediately try to reach a decision and determination by mutual agreement [983] with respect to the dispute, controversy, contention, or claim submitted to arbitration, and such decision and determination shall be expressed in writing and signed by the arbitrators. In the event that within a period of thirty (30) days said arbitrators fail to reach such decision and determination by mutual agreement, they shall, within seven (7) days after the expiration of said thirty (30) days, or sooner if possible, mutually agree upon an umpire, and if they fail mutually to agree upon such umpire, either party shall have the right to apply to DR. A. H. GIANNINI OF NEW YORK CITY who shall appoint such umpire. The decision and determination of such umpire shall be made as promptly as practical, such decision and

determination to be expressed in writing. The costs and expenses of such arbitration shall be borne equally by the parties unless the decision and determination of the arbitrators or the umpire, as the case may be, shall determine otherwise, in which latter event the cost and expenses shall be borne as provided in such decision and determination. Such arbitration shall, so far as is consistent with this paragraph, be conducted pursuant to and in accordance with the Arbitration Law of the State of California.

34. No waiver by either party of any breach of any covenant or provision of this agreement shall be deemed to be a continuing waiver or a waiver of any succeeding or preceding breach of the same or any other covenant or provision.

35. It is agreed that all notices to be given by either party to the other hereunder shall be by registered mail addressed as follows:

Cecil B. DeMille Productions, Inc.  
#4 Laughlin Park, Hollywood  
Los Angeles, California. [984]  
Metro-Goldwyn-Mayer Corporation  
Culver City, California.

Either party shall have the right to change such address by writtenn notice given from time to time.

36. It is agreed that nothing in this agreement contained shall be held to constitute the parties hereto as partners or joint venturers, or authorize either of the parties to contract any debt or obligation for, against, or on behalf of the other.

37. It is agreed that this agreement is entire and complete and contains all understandings between the parties regarding the subject matter thereof, and that no representations or warranties of any kind or nature have been made by either party to induce the making of this agreement, except as herein set forth.

38. As partial consideration for the execution of this agreement by the producer, Metro agrees, within thirty (30) days after the date of the execution of this agreement, to obtain and deliver to the producer an agreement executed by Metro-Goldwyn-Mayer Distributing Corporation, the distributor named herein, guaranteeing to the producer the faithful performance by Metro of each and all of its obligations hereunder. It is agreed that any obligation herein contracted for by Metro, and any act or thing provided to be done by Metro hereunder, may be fulfilled, done, or performed by the distributor, which shall constitute performance by Metro.

39. The producer agrees that as a condition precedent to any obligation on the part of Metro hereunder the producer will obtain the signature and due acknowledgment of this agreement by Mr. DeMille at the bottom of this agreement after the word "agreed," and the signature of Mr. DeMille so obtained and affixed hereto shall constitute a binding obligation and agreement on the part of Mr. DeMille to carry out and fulfill each [985] and every obligation on his part to be carried out and fulfilled pursuant to and as provided in this agreement.



IN WITNESS WHEREOF the parties hereto have executed this agreement the day and year first above written.

CECIL B. DE MILLE PRODUCTIONS, INC.

[Signed] By CECIL B. DE MILLE, Pres.  
METRO-GOLDWYN-MAYER CORPORATION

[Signed] By LOUIS B. MAYER  
Vice President

Agreed:

CECIL B. DEMILLE [Signed] [986]

The undersigned, CECIL B. DE MILLE, in consideration of the execution by Metro-Goldwyn-Mayer Corporation of the foregoing agreement between said Metro-Goldwyn-Mayer Corporation and Cecil B. DeMille Productions, Inc., does hereby undertake and guarantee, to and for the benefit of said Metro-Goldwyn-Mayer Corporation, that said Cecil B. DeMille Productions, Inc. will carry out, conform to, and comply with each and every term, covenant, condition, and obligation on its part to be complied with, made, done, or performed under the provisions of said agreement; and that in the event that said Cecil B. DeMille Productions, Inc., shall fail so to do in any particular, the undersigned, Cecil B. DeMille, individually, will carry out and perform the same.

IN WITNESS WHEREOF, I have hereunto set my hand this 31st day of July, 1928.

[Signed] CECIL B. DeMILLE  
(Cecil B. DeMille) [987]



PETITIONER'S EXHIBIT 13

[Endorsed] : Admitted in evidence Dec. 14, 1933.

April 13, 1928.

SUMMARY OF EQUIPMENT LIST

for  
Mr. C. B. deMille

	Replace- ment Cost	Depre- ciated value 12-31-27	Proposed Transfer Value
Transportation .....	\$ 6,348.00	\$ 3,289.32	\$ 4,820.16
Motor Generators .....	24,000.00	17,750.00	20,875.00
Wind Machines .....	3,250.00	2,775.00	3,012.50
Camera Equipment .....	16,105.25	11,811.00	13,958.11
Electrical Equipment .....	31,468.00	25,183.65	28,325.85
Grip Equipment .....	2,299.14	2,110.25	2,204.69
Effects & Min. Equipment..	9,265.75	7,666.66	8,466.20
Cutting Room Equipment....	1,877.00	1,501.60	1,689.30
Set Equipment .....	809.00	780.00	794.50
Research Equipment .....	2,773.30	2,218.64	2,495.97
Property Equipment .....	4,093.30	4,093.30	4,093.30
Wardrobe Equipment .....	7,811.17	5,912.40	6,861.79
Miscl. Equipment .....	2,520.93	2,284.34	2,402.63
<b>TOTAL.....</b>	<b>\$112,620.84</b>	<b>\$ 87,376.16</b>	<b>\$100,000.00</b>

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EQUIPMENT LIST

For Mr. C. B. deMille

	Replace- ment Cost	Depre- ciated value 12-31-27	Proposed Transfer Value
<b>TRANSPORTATION EQUIPMENT</b>			
1. Amer.-LaFrance 5-ton truck ) 1926 eng. 2RP1763 lic. 195003)	\$ 5,400.00	\$ 2,970.00	\$ 4,185.00
1 Fordson Tractor—1925; eng. No. 534442—lic. 56129	948.00	322.32	635.16
	<b>6,348.00</b>	<b>3,289.32</b>	<b>4,820.16</b>

## EQUIPMENT LIST

For Mr. C. B. deMille

	Replace- ment Cost	Depre- ciated value 12-31-27	Proposed Transfer Value
<b>MOTOR GENERATORS</b>			
1 Allis-Chalmers Generator set & trailer; motor #117256; generator No. 119466; Gen. #117256	16,000.00	12,000.00	14,400.00
1 Packard Generator set, motor No. 6536	6,500.00	3,900.00	5,200.00
1 Liberty breakdown motor for above— motor #38246	1,500.00	1,050.00	1,275.00
	<hr/> 24,000.00	<hr/> 17,950.00	<hr/> 20,875.00
<b>WIND MACHINES</b>			
3 Rotary motor wind machines: LeRone #SC 36601)			
"    "    35688)	2,550.00	2,295.00	2,422.50
"    "    35723)			
1 Electric wind machine: Serial #2451109S; style 172406A	200.00	130.00	165.00
1 Henderson wind machine, motor No. 2Z4375	500.00	350.00	425.00
	<hr/> 3,250.00	<hr/> 2,775.00	<hr/> 3,012.50
<b>CAMERA EQUIPMENT</b>			
1 Bell & Howell Camera & Equipt.)			
1 Mitchell Camera & Equipt. as per "Marley list" attached )	8,804.25	6,177.00	7,490.62
1 Bell & Howell camera & Equipt. as per "Westerberg list" attached	2,752.50	1,893.00	2,322.75
1 Mitchell camera & equipt. as per "Miller list" attached	3,520.50	2,714.25	3,117.37

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EQUIPMENT LIST  
For Mr. C. B. deMille

	Replace- ment Cost	Depre- ciated value 12-31-27	Proposed Transfer Value
<b>CAMERA EQUIPMENT (continued)</b>			
1 Graflex camera & equipt. as per list attached	\$ 258.75	\$ 285.50	\$ 272.12
1 Action still camera & equipt. as per list attached	609.25	581.25	595.25
1 Motion picture still camera and enlarger No. 3763	160.00	160.00	160.00
	16,105.25	11,811.00	13,958.11
<b>ELECTRICAL EQUIPMENT</b>			
(per list attached)			
6 BA 24" sun arcs	12,600.00	10,080.00	11,340.00
2 " 36" " "	7,000.00	5,600.00	6,300.00
12 " 80 Amp Rotary spotlights	4,500.00	3,600.00	4,050.00
1 Creco 70 Amp spotlight	125.00	100.00	112.50
3 Olsen 35 " baby spotlights	135.00	108.00	121.50
5 MR 18" sunspots 2000 W	875.00	700.00	787.50
6 WK double side lamps 2000 W	222.00	177.60	199.80
10 Creco brackets	5.00	4.00	4.50
6 WK single side lamps 1000 W	180.00	144.00	162.00
12 WK broads	1,200.00	900.00	1,050.00
5 Creco scoops	375.00	281.25	328.15
30 Frost frames for spotlights	19.50	15.60	17.55
40 Brackets for spots	20.00	16.00	18.00
50 Florentine glass diffusers for broads	162.50	130.00	146.25
50 Silk diffusers for broads	75.00	60.00	67.50
10 Spiders	110.00	88.00	99.00
2 4-position remote control portable switchboards	880.00	792.00	836.00
4 sets differential chain hoists, 2 with 35' and 2 with 45' lifts	280.00	224.00	252.00
600 ft. 4-0 Dura cable	444.00	355.20	399.60
17 Plugging boxes	1,700.00	1,360.00	1,530.00
16 3 wire extensions	560.00	448.00	504.00
	31,468.00	25,183.65	28,325.85

## EQUIPMENT LIST

For Mr. C. B. deMille

	Replace- ment Cost	Depre- ciated value 12-31-27	Proposed Transfer Value
<b>GRIP EQUIPMENT</b>			
1 Lot 198 yds. velvet V22	373.44	373.44	373.44
3 20'x45" velvet drops V12-V18	1,170.00	1,170.00*	585.00
Grip equipt. as per list	755.70	566.81	661.25
	2,299.14	2,110.25	2,204.69

\*Appraisal depreciated figures are more than cost

## EFFECTS &amp; MINIATURE EQUIPMENT

1 Cosgrove printer No. 405B	1,195.35	1,104.86	1,150.10
Equipt. as per list	7,412.00	6,068.00	6,740.00
Fur. & Fix. as per list	658.40	493.80	576.10
	9,265.75	7,666.66	8,466.20

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## CUTTING ROOM EQUIPMENT

Ann Bauchens equipment, as per list	\$ 1,573.00	\$ 1,258.40	\$ 1,415.70
1 Splicer No. D-244	285.00	228.00	256.50
2 Sets rewinds Nos. D245-246	19.00	15.20	17.10
	1,877.00	1,501.60	1,689.30

## SET EQUIPMENT

1 Telephone system as follows: )			
6 field pcs. marked "CB" on )			
leather case )	244.20	222.00	233.10
11 head sets painted "Red" on )			
one side of breast plate )			
1 Set sirens No. 24462-24991	74.80	68.00	71.40
Roy Burns equipt. per list	490.00	490.00	490.00
	809.00	780.00	794.50

EQUIPMENT LIST  
For Mr. C. B. deMille

	Replac- ment Cost	Depre- ciated value 12-31-27	Proposed Transfer Value
<b>RESEARCH EQUIPMENT</b>			
1 Lot of books, per list	2,773.30	2,218.64	2,495.97
<b>PROPERTY EQUIPMENT</b>			
1 Lot of props, per list	4,093.30	4,093.30*	4,093.30
*Appraisal depreciated figures are more than cost.			
<b>WARDROBE EQUIPMENT</b>			
Completed wardrobe, per list	3,607.20	1,803.60	2,705.40
Used jewelry           "   "	528.75	433.58	481.17
New jewelry           "   "	299.25	299.25	299.25
New raw material   "   "	3,375.97	3,375.97	3,375.97
	7,811.17	5,912.40	6,861.79
<b>MISCELLANEOUS EQUIPMENT</b>			
2 Machine guns & tripods)			
No. 1298 & No. 211    )	155.00	155.00	155.00
No. 2097 & No. 211   )			
1 Willys-Knight public address, Eng.			
No. E4638; lic. #351307	2,365.93	2,129.34	2,247.63
	2,520.93	2,284.34	2,402.63

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## MARLEY EQUIPMENT

		Inventory Number	Replacement Cost	Depreciated Value
1 Mat box and filter holder		92	\$ 50.00	\$ 50.00
1 G. H. 50 MM Lens	#392355	93	85.00	40.00
1 G. H. 40 MM Lens	392996	94	85.00	40.00
1 B. L. 50 MM Lens	2-7	97	110.00	40.00
1 Cooke 5" Lens	60766	98	176.00	50.00
1 Carl Zeiss 100 MM Lens	351513	99	140.00	50.00
1 Carl Zeiss 150 MM Lens	379134	100	80.00	50.00
1 Krauss 8" Lens	102243	102	50.00	50.00
1 Ross 11" Lens	83084	103	75.00	75.00
1 B & H Camera	468	104	1,162.00	1,000.00
1 B & H Footage Counter	139	105	37.50	25.00
1 Prismatic Focusing Magnifier		106	24.00	30.00
1 Mitchell Finder	468-50	107	100.00	100.00
1 Finder Extension		108	5.00	5.00
1 Auxiliary Aperture Plates @ \$25.00		109 A & B	20.00	50.00
1 Soft Iris Thalhammer Complete)		110		
1 Auxiliary Carrying Case )		111	200.00	200.00
1 Lge. Willat Slate		113	7.50	5.00
1 Gauze Mat Box 4 Way		114	7.50	5.00
1 B & H Baby Tripod	175E	116	35.00	25.00
1 Mitchell Sunshade Rebuilt		117	30.00	5.00
2 Mitchell Magazine Cases		118 A & B	80.00	20.00
3 B & H Magazine Cases		119 A-B-C	84.00	30.00
1 Mitchell Camera Carrying Case		120	25.00	25.00
1 B & H Combination Carrying Case		121	35.00	25.00
3 Miscellaneous Cases		122 A-B-C	60.00	30.00
1 Mitchell Test Box		124	55.00	15.00
1 Set of Aperture Vignettes		125	15.00	15.00
1 Mitchell Plate for B & H Head		126	20.00	20.00
1 Carl Zeiss Lens 50 MM	645411	156	85.00	85.00
1 Mitchell Tripod	33-127	127	250.00	200.00
1 Mitchell Camera	24	128	1,960.00	1,500.00

## MARLEY CAMERA EQUIPMENT (Continued)

		Inventory Number		Replacement Cost	Depreciated Value
1 Carl Zeiss 40 MM Lens	452990	129		85.00	50.00
1 Carl Zeiss 50 MM Lens	411266	130		85.00	50.00
1 Carl Zeiss 75 MM Lens	402042	131		90.00	50.00
1 Mitchell View Finder	174	132		100.00	100.00
1 Carl Zeiss 6" Lens	379134	133		80.00	50.00
1 Sunshade		135		30.00	5.00
1 Miscellaneous Lens Case		136		15.00	5.00
1 Mitchell Magazines 137A to 137J inclusive				500.00	300.00
1 Footage Counter with Crank		139		39.00	25.00
1 Extra Prism		141		25.00	25.00
1 Tripod Jack		142		5.00	5.00
1 B & L 32 MM Lens	2494122	143		85.00	25.00
2 Finder Extension Plain		144	A & B	10.00	10.00
1 Set Diffusion Discs		146		5.00	.....
1 G. H. 3/4" Lens	147-209	147		75.00	50.00
1 Astro 25 MM 1-8 Lens	1173	149		100.00	60.00
1 Astro 40 MM 2-3 Lens	552	148		100.00	60.00
					[992]
1 Astro 50 MM Lens	593	150		100.00	60.00
1 Astro 75 MM Lens 2-3	663	151		110.00	60.00
1 Mitchell Camera Crank		152		6.00	2.00
1 Mitchell Tripod Crank		154		3.50	2.00
1 Mitchell Tripod Crank		155		3.50	2.00
1 Mitchell Stop Motion Crank		158		6.00	2.00
1 Mitchell Magnifier		159		10.00	10.00
1 Hand Dissolver		161		2.00	2.00
1 Mitchell Tripod	73	163		250.00	200.00
1 B & H Pan Crank		164		2.75	2.00
1 Sliding Frame Gauze Matting Device		165		25.00	25.00
1 Spider Tripod	9	169		10.00	10.00

## MARLEY CAMERA EQUIPMENT (Continued)

	Inventory Number	Replacement Cost	Depreciated Value
Spider Tripod	10 170	10.00	10.00
Chipping Block Device	171	60.00	10.00
Set Eastman Diffusion Discs	172	5.00	.....
Film Testing Machine	166	25.00	25.00
Mitchell Panoramic Head	173	250.00	150.00
Astro 75 MM Lens	798	110.00	60.00
Astro 50 MM Lens	852	100.00	60.00
Astro 40 MM Lens	811	100.00	60.00
Astro 100 MM Lens	1547	140.00	75.00
Mitchell Turret	175	20.00	15.00
Cooke 50 MM Lens	153656	136.00	85.00
B & L 40 MM 2-7 Lens	3210566 455	80.00	40.00
22" Cooke Lens Mount & Case	30245C	352.00	300.00
Astro 75 MM F 1-8 Lens	1430	110.00	60.00
Tachar 50 MM F 1-8	1452 175C	100.00	60.00
Tachar 40 MM F 1-8	1420 175B	100.00	60.00
	TOTAL	<u>\$8,804.25</u>	<u>\$6,177.00</u>

## WESTERBERG'S EQUIPMENT

		Replacement Cost	Depreciated Value
1	C. Zeiss 35 MM Lens	#427597 \$ 85.00	\$ 40.00
2	Magazine Cases	230A-230B 40.00	20.00
1	Miscl. Case	223 20.00	10.00
1	Changing Bag	5.00	—
1	Set of Aperture Vignettes	468-A 15.00	5.00
6	Bell & Howell Magazines	226-A to 226-F 270.00	150.00
1	B & H Camera	510 1,162.00	1,000.00
1	G & H 75 MM Lens	393213 90.00	30.00
1	Footage Counter	225 37.00	25.00
1	B & H Tripod	705 225.00	200.00
1	Prismatic Focusing Viewfinder	231 30.00	30.00
1	Set Wratten Filters	231-A —	—
1	Set Diffusion Discs	221 15.00	15.00
1	Graf Variable 3"	1463132 150.00	25.00
1	B & L 40 m.m. 27 Lens	3210536 110.00	40.00
1	C. Zeiss 50 m.m. Lens	637681 85.00	40.00
1	Hand Dissolver	232 4.00	2.00
1	50' Tape	232-A 1.50	—
1	Tripod Crank	233-A 3.50	2.00
1	Tripod Crank	233-B 3.50	2.00
1	Camera Crank	234 6.00	2.00
1	Camera Jack	234-A 5.00	5.00
1	Carl Zeiss 88 c.m. Lens F 2.7	642231 95.00	50.00
1	Baby Tripod	235 35.00	25.00
1	Pathe Foensuig Magnifier	321717 25.00	25.00
1	Bell & Howell Viewfinder	C-10 150.00	100.00
1	G. & H. 500 MM Lens	452986 85.00	50.00
	TOTAL	\$2,752.50	\$1,893.00

[994]

## MILLER CAMERA EQUIPMENT

		Inventory Number	Replacement Cost	Depreciated Value
Mitchell Camera	#23	44	\$1,960.00	\$1,500.00
Mitchell View Finder	174	49	100.00	100.00
Mitchell Magazines		53A to 53I, Inc.	450.00	270.00
Mitchell Tripod	135	51	250.00	200.00
Mat Box & Filter Holder		50	80.00	100.00
Mitchell Camera Case	34	57	25.00	25.00
Mitchell Magazine Cases		58A & 58B	40.00	20.00
50 ft. Focusing Tape		63G	1.50	1.25
Mitchell Tripod Cranks		59A & 59B	7.00	4.00
Mitchell Camera Cranks		60A & 60B	12.00	4.00
Mitchell Extension Arm		61	30.00	10.00
Mitchell Sunshade		50A	30.00	5.00
Cinemotor	K108	J91	250.00	200.00
Cinemotor Adaptor		24	50.00	50.00
2" Lens Oval Iris Attachment		50B	200.00	200.00
Mitchell Baby Tripod	#558-C103	63	35.00	25.00
			TOTAL	
			\$3,520.50	\$2,714.25
				[995]

## GRAFLEX CAMERA &amp; EQUIPMENT

		Inventory Number	Replacement Cost	Depreciated Value
R. B. Auto Graflex—4x5		S-17	\$120.00	\$100.00
6½x8½ Tessar 1 C Lens—3198310		S-18	105.00	100.00
Leather Carrying Case		S-19	12.75	10.00
4x5 Cut Film Magazine		S-20	15.50	15.50
4x5 Film Pach Adapter		S-21	5.50	5.00
			TOTAL	
			\$258.75	\$230.50
				[996]



ACTION STILL CAMERA OUTFIT (THOMAS)

	Inventory Number	Replacement Cost	Depreciated Value
AnSCO View Camera	S-1	\$ 70.00	\$ 70.00
Packard Ideal Shutter	S-2	9.75	9.75
Graflex Focal Plane Shutter	S-3	41.00	41.00
Dallmeyer 19"—5D Lens #114753	S-4	132.00	132.00
Goerz Dagor Lens 36 CM in Compound Shutter #657022	S-5	210.00	192.00
Comb. Lens Shade & Filter Holder	S-6	20.00	20.00
Diffusion Disc A—#0	S-7	10.00	5.00
Diffusion Disc—#0	S-8	10.00	5.00
3" K1 Filter	S-9	3.75	3.75
3" K2 Filter	S-10	3.75	3.75
3" K3 Filter	S-11	3.75	3.75
3" A Filter	S-12	3.75	3.75
Mitchell Tripod (Still) B 240	S-13	25.00	25.00
Plate Holder Case (Wooden)	S-14	12.50	12.50
8 x 10 Film Holders 18 @ \$3.00	S-15A to S-15R		
	Inc.	54.00	54.00
		\$609.25	\$581.25
<b>TOTAL</b>			

[997]

	Studio No.	Serial No.	
<b>ELECTRICAL EQUIPMENT</b>			
6 BA Sun Arcs 24"	16	95	
	24	54	
	14	90	
	13	89	
	12	88	
	15	91	
2 BA Sun Arcs 36"	22	5	
	23		
			<b>Grid No.</b>
12 80 amp. BA Rotary Spots	76	455	83
	13	167	109
	104	76	53
	84	267	71
	87	265	86
	19	176	29
	16	178	60
	72	283	87
	94	404	77
	82	493	105
	22	174	88
	97	399	10
1 70 Amp Creco Spotlight —#14			
3 35 " Olsen Baby " —No. 2-7-8			
5 18" Sunspots MR 2000W— (Red "X" on Back)			
6 WK Double Side Amps. 2M-W " " " "			
10 Creco Brackets—NOTE: None			
6 WK Single Side Lamps, 1 MW (Red "X" on Back)			
12 WK Broads—Studio No. Serial No. Studio No. Serial No.			
	35	2756	92 2670
	40	4591	49 2758
	32	1939	62 1625
	86	1904	55 4655
	30	3303	20 1799
	24	2785	33 1875

**ELECTRICAL EQUIPMENT—Cont'd**

- 5 Creco Scoops—#14, 16, 18, 22, 25
- 30 Frost Frames for Rotary Spots—(Marked with red "X")
- 40 Brackets for Spots—(Marked with Red "X" on back)
- 50 Florentine Glass Diffusers for Broads (Red "X" marked on top)
- 50 Silk Diffusers for Broads—(Red "X" marked on top)
- 10 Spiders—(Black "X" on inside of top cover)
- 2 4-Position Remote Control Port, Switchboards—Serial #60—64
- 4 Sets Differential Chain Hoists—(Top wheel painted "Red")
- 600' Dura Cable—4-0 (100' lengths) Painted "Black"—one end
- 17 Plugging Boxes—(Black "X" marked)
- 16 3-Wire Extensions—(Painted "Black" on one end)

**GRIP EQUIPMENT**

No. Owned by Studio		Replacement Cost
26	2 6' Platforms for Cameras	\$ 50.00
29	2 4' " " "	46.00
6	2 2' " " "	42.00
11	2 2' " " Lights	4.00
4	2 3' " " "	5.00
2	2 Baby " " "	3.00
8	3 2' Ladders	4.50
6	1 6' "	4.50
10	6 Camera Boxes	9.00
10	3 Tin Gags for Cameras	9.00
8	4 Flags for Cameras	6.00
1	1 Funny Gobo	2.00
8	2 Gauses on Poles 9x12	10.00
20	8 Lge. Furniture Platforms	10.80
75	40 Small " "	20.00
4	4 Mountain Platforms	8.00
12	3 Camera Tydowns	1.50
90	30 Ear Muffs for Lights	6.00
—	1 Bolt Defuser Gause	12.00
10	4 Baby Reflectors	4.00
50	20 Asst. Gobo Flats	30.00
4	1 Camera Perambulator	70.00
800'	500' Misc. Rope	2.50

(Cont'd)

## GRIP EQUIPMENT—CONT'D

No. Owned by Studio		Replacement Cost
11	2 Camera Stools	2.00
5	1 20x30 Ft. Gause	8.40
4	1 30x40' Overhead Diffuser	25.00
46	20 4x5' Reflectors	140.00
43	14 3x4' " "	70.00
7	4 5x8' " "	32.00
13	4 3x4' Mirrors	48.00
7	2 Reflectors on Stands	13.00
1	1 Iron Camera Tripod Pipe	1.50
8	3 Umbrellas on stands	15.00
2	2 Mushroom Tripods	8.00
2	2 Linen Reflectors	2.00
9	2 Hoops and Poles	15.00
6	2 Overhead Diffusers and Poles	3.00
8	2 Reflectors on Iron Stands	15.00
TOTAL		\$755.70
Less 25% .....		\$566.81

(PRICES BY ROY JONES)

NOTE: ALL OF THE ABOVE EQUIPMENT—MARKED WITH A  
"RED STAR" INSIDE A "CIRCLE".

[1000]

## COSGROVE EQUIPMENT

	Replacement Cost	Depreciated Value
1 Bell & Howell Camera—#646	\$1,162.00	\$1,000.00
1 " " " 240	1,162.00	1,000.00
1 " " " 14	1,162.00	1,000.00
1 C.Z. Lens—4"—No. 532051	75.00	50.00
1 GH Lens—40 m.m.—No. 392103	85.00	40.00
1 " " " No. 391450	85.00	40.00
1 " " 50 m.m. No. 394266	85.00	60.00
1 B&L " " " No. 41128	110.00	40.00
1 Graf " 75 " No. 5944	43.00	25.00
1 CZ " 40 " No. 142234	85.00	50.00
1 Astro Lens 40 " No. 563	100.00	60.00

## COSGROVE EQUIPMENT—Cont'd

	Replacement Cost	Depreciated Value
1 Astro Lens 50 m.m. No. 586	100.00	60.00
1 RUO " 4 c.m. No. 16965	50.00	50.00
1 H. S. Tripod No. 379	50.00	50.00
1 Mitchell Tripod No. 144	250.00	200.00
1 Set Diffusion Discs No. 382	5.00	5.00
2 Title Blocks Nos. 64-62	50.00	50.00
7 B&H Magazines Nos. 3015, 3102, 540, 5690, 1268, 3108, 865	196.00	175.00
6 Rewinds Nos. 405A to 405F incl.		90.00
1 H. S. Shuttle No. 240	750.00	750.00
1 Tachometer & Adaptor No. 386	30.00	25.00
1 Mitchell Viewfinder No. 105	100.00	100.00
1 Speed Crank No. 388	6.00	2.00
1 R&H Cinemotor No. K-99	250.00	150.00
1 Test Box No. 390	75.00	25.00
1 Luggage Case No. 392	15.00	10.00
2 Camera Cases No. 391—A & B	40.00	20.00
1 Combination Case No. 392	5.00	5.00
1 Table Footage Counter—No. 754	37.50	25.00
1 Moviola No. 1207	185.00	148.00
1 Stop Motion Device No. 393	100.00	100.00
1 Aux. Plate & Prism No. 228	25.00	25.00
1 Straight Prism No. 395	30.00	30.00
1 Camera Crank No. 396	6.00	2.00
2 Tripod Cranks No. 397—A & B	7.00	4.00
3 Stop Motion Cranks No. 398—A-B-C	18.00	6.00
1 Tripod Head No. 399	250.00	100.00
1 Spider Tripod No. 400	10.00	10.00
1 Iris & Mat Box No. 401	200.00	200.00
1 Cinemotor Counter No. 718	25.00	25.00
1 B&H Counter No. 710	37.50	25.00
1 Gear Box No. B-9	25.00	25.00
1 Baby Spotlight No. 405-A	45.00	36.00
1 Splicing Machine No. G-259	285.00	175.00
TOTAL	\$7,412.00	\$6,068.00



## FURNITURE &amp; FIXTURES

(Cosgrove Unit)

	No.	Replacement Cost
6' x 6' 5-section locker with sliding doors	C-1	\$ 14.00
60x60x16" 4-shelf, 3-section galvanized iron film locker	C-2	54.00
4-drawer 20" oak letter file	C-3	60.50
4-drawer 25" metal letter files, with locks	(C-4 C-5)	142.00
7'6" High sectional file	C-6	6.50
Oak swivel chair	C-7	16.50
Chair pad—felt	C-7	1.75
34x60" double pedestal oak desk with lift pedestal	C-8	94.00
30x60" double pedestal oak desk	C-9	84.00
69x34x1/4" pine drawing board	C-10	10.00
34x42" " " table	C-11	7.00
Oak side chair	C-12	9.75
Oak dining chair	C-13	10.25
16x18x48" 3-drawer Galvanized iron film locker	C-14	28.00
14" Electric heater	C-15	6.00
10" " "	C-16	5.50
Royal # 12" typewriter	C-17	92.50
Arch file	C-18	1.05
Wire waste baskets	C-19 & C-20	1.30
Wire letter baskets	C-21 & C-22	1.30
Acco punch	C-23	4.00
Pencil Sharpener	C-24	3.00
Lot miscl. desk equipment	C-25	3.00
Desk Calendar	C-26	2.50
		658.40
	Less 25% depreciation	164.60
	Depreciated Value	\$493.80

[1002]

## CUTTING ROOM EQUIPMENT

	<u>Replacement Cost</u>
11 Wall Film Racks (8-lge. 2-Med. 1-Sma.) Nos. D-110, 111, 112, 114, 115, 116, 101, 103, 104, 107-106	\$ 623.00
1 Steel Table 12'x2'x31½"—#105-D	32.50
2 " " 22½x5'6"—#100—100-A at \$37.00 ea.	74.00
1 3-shelf Sheet Metal Film Storage Locker—No. D-113	35.00
1 Sing. Pedestal, 1" top Oak Desk—No. D-150	36.50
1 Wicker Chair & Cushion—D-157	11.00
1 " Armchair & Cushion—D-156	14.50
1 " Couch Pad & Cover—No. D-158	25.00
3 Oak Side Chairs—Nos. D-151, 152, 153 at \$9.75 ea.	29.25
2 Film Boxes—D-163-164 at \$4.00 ea.	8.00
1 Mah. Swivel Typists Chair—No. D-154	17.50
1 Stained Pine Table—No. D-155	4.75
1 9x12 Axminster Rug—No. D-160	58.00
1 4-Tread Step—No. D-239	3.00
1 Wire Waste basket—No. D-109	.85
1 Desk Calendar—No. D-161	1.75
1 Double Ink Stand	1.65
1 Moviola—Model D—No. 1261	245.00
1 Moviola Midget—No. D-2002	185.00
2 Fulco Film Rewinds—No. D-121, 122, 123, 124 at \$8.00 ea.	16.00
2 Film Rewinds with brakes—Nos. 240-241 at 9.50 ea.	19.00
2 Langs Model 4A Film rewinds—No. 242-243 at \$9.00 ea.	18.00
10 10" film Reels at 50¢ each	5.00
1 14" Film Reel	.75
72 Film Boxes—D-166—D-238 at \$1.50 ea.	108.00
TOTAL	\$1,573.00
	[1003]

## C. B. DE MILLE EQUIPMENT

(Held by Roy Burns)

	No.	Replacement* Value	Depreciated Value
Black prop boxes and miscellaneous small equipment 26x26x48''	RB 1-2	\$100.00	100.00
Black prop boxes and miscellaneous small equipment 20x22x36''	RB 3-4	75.00	75.00
Prop box miscellaneous small equipment 12x16x26''	RB 5	50.00	50.00
Brass makeup kits, fully equipped	RB 6, 7, 8,	90.00	90.00
Lot miscl. equipment	RB 9	100.00	100.00
Prop carrier & equipment	RB 10	75.00	75.00
	TOTAL	\$490.00	490.00

\*—No replacement cost available.

[1004]

## RESEARCH EQUIPMENT

Title	Author	Cost
English Interiors	Stratton	\$ 30.00
English Homes Vol. 1 Period 3		25.00
“ “ “ “ “ 4		17.50
Royal Palaces of Great Britain		5.00
Cathedrals		2.00
Studio Year Book 1927		4.50
Interiors	De Ruhlmann	15.00
Petits Edificies		12.50
Le Petit Trianon	Deshairs	8.50
Interieurs	Sue Et Mare	12.50
Small Manor Houses in France		6.00
Une Ambassade Francaise		15.00
French Provincial Architecture		20.00
Smaller Houses of Versailles		6.00
Cottages of Normandy and Brittany		12.50
L'Art Decoratif Francais 1918-1928		10.00
Spanish Interiors—Vol. 3		30.00
Islam Architecture		1.00

RESEARCH EQUIPMENT—Cont'd

Title	Author	Cost
Thousand and One Ideas		9.00
Color Schemes for Modern Interiors		6.00
Koch's Handbook		5.50
“ “		5.50
Von Der Empire	Lux	5.00
Empire Furniture		5.00
[1005]		
Dutch Architecture in 1800's		\$ 10.00
3 (different) volumes of Ricci's Italian Architecture		15.00
Renaissance in Italy	Baum	10.00
Altmecklenburgische Schlosser		7.50
Zarskoje Sselo		10.00
Wohnungskultur und Möbel der Italienischer Renaissance		10.00
Treatment of Interiors	Clute	6.00
Decorative Furniture	Hunter	25.00
Furniture of the Italian Renaissance	Schotmuller	10.00
Holland Furniture 1650-1780		6.00
German Furniture		6.00
Die Raumkunst		6.00
House Beautiful Building Annual		2.00
Georgian Period—vols. 1, 2, 3		75.00
House and Garden—Second Book of Interiors		5.00
House Beautiful—Furnishing		2.00
American Vignola—Part 1		2.00
Dwight J. Baum's Work		18.00
Owen Jones Ornament		25.00
Weyhe's Ornament		50.00
Speltz Ornament		5.25
Ancient Ironwork—vols. 1 & 2		45.00
London Times History of the War—21 vols.		50.00
Picturesque North Africa		7.50
Egypt	Kelly	2.50
Tomb of Tut		3.00
Southern China		2.00
Eighteen Capitals of China		<b>3.95</b>
Dancing Girl		2.50

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## RESEARCH EQUIPMENT—Cont'd

Title	Author	Cost
Bangkok to Bombay		\$ 4.00
Peasant Art in Austria		20.00
Picturesque Canada		7.50
London Alleys, Byways & Courts		5.00
Ranks and Dignities of British Society		2.00
Picturesque Great Britain		7.50
Finland		12.00
Details of Architecture in Tuscany		25.00
Picturesque Germany		6.00
Album of Berlin		1.75
Deutsch Sudost		3.00
Vagabonding Through Germany		4.00
Twenty-Five Great Houses in France		25.00 Used
Pan. of Paris		3.95
Paris—Booklet		1.00
Alsace-Lorraine		7.50
French and Italian Riviera		2.50
France	Home	2.75
The Riviera	Devouluy	2.50
Southern India		5.00
Armies of India		4.00
Holy Land	Roberts	50.00 Used
Picturesque Palestine		6.00
Palestino		6.00
Picturesque Italy		7.50
Peasant Art in Italy		13.50
Travels—Russian Empire, Vol. 1, 2		5.00
Russian Art Book		12.50
“ “ “ Furniture, etc.		70.00 Used
[1007]		
Spain	Calvert	\$ 15.00
Peasant Art in Sweden		12.50
“ “ in Switzerland		5.00
Picturesque Spain		6.00
Romantic America		7.50
Old New York		3.50
Manhattan—The Magical Isle		15.00
How the Other Half Lives		1.25
Highways and Byways of the South		4.75 Used



## RESEARCH EQUIPMENT—Cont'd

Title	Author	Cost
Asia—11 Vol. at \$3.00 a vol.		33.00
National Geographic 1909-26 (34 bound vols.) (Ten years of this belongs to Mr. DeMille— 20 vols.)		42.00
Burton Holmes—13 vols.		16.00
Stoddard's Lectures		10.00
Howard Pyles Book of Pirates		7.50
Daring Deeds of Pirates		2.50
Book of History—18 vols.		35.00 Used
Story of the Greatest Nations		15.00 Used
Cambridge Mediaeval History		8.50
Great Events by Famous Historians		32.00 Used
La Cantiniere		5.00 Used
Historire de France—2 Vols.	Larousse	20.00
Paris	“	15.00
Napoleon 1		10.00 Used
British Military Prints		15.00
History of the World War (5 vols. 3 missing)	Simmonds	8.00
The Great War in Gravure		10.00 Used
Greece and Rome	Von Falke	12.00
Costume of the Ancients	Hope	25.00
		[1008]
Toilette of a Hebrew Lady		\$ .65
Greek Dress		4.50
Rosenberg 5 portfolios		72.00
Racinet “ “		100.00 Used
Costume	Norris	10.00
English Costume	Calthrop	4.00
Dame Fashion		12.00
Historic Dress in America	McClelland	20.00
Die Mode 3 vols.		12.00
Guide to Historical Fiction		9.00
Dictionary of Facts		11.50
Roget's Thesaurus		3.50
Talachkino (Russian Art)		6.00
Reference Passage Bible		5.00

## RESEARCH EQUIPMENT—Cont'd

Title	Author	Cost
U. S. Army Uniform 2 vols.		10.00
Painting From 1400-1800		3.00
Mentor Magazine 6 vols.		24.00
Art of Greece		3.50
Museum of Antiquities		5.00
Hasting's Dictionary of the Bible		7.00
Abridgement of the Secret Doctrine		3.00
Book of Genesis		.75
Coming of Christ		1.00
Jesus	Klausner	4.50
Life of Jesus	Hole	6.50
Encyclopedia of Bible	Kitto	.95
Folklore of the Old Testament	Frazer	5.00
Unknown Life of Jesus	Novotich	2.00
Life of Jesus	Kent	2.50
		[1009]
Training of the Twelve	Bruce	\$ 1.50
Money of the Bible		.95
Rembrandt	Meldrum	9.00
International Studio 1897-1913		200.00
Customs of Mankind		2.00
Apoecryphal Testament (New)		3.50
Musical Instruments		8.00
Golden Age of Sail		25.00
Encyclopedia 8 vols.	Larousse	35.00 Used
Catholic Encyclopedia		60.00 "
Encyclopedia Britannica		94.20
English Magazines (War period—2 years of)		15.00
Der Krieg—3 vols.		13.50
Ensemble Mobilier—2 vols.		25.00
Flags of the World Past and Present		2.50
Gibbons Rome		3.00 Used
Curiosities of Popular Customs etc. 3 vols.		10.00
Costume of France	Piton	6.50
Rawlinson's Ancient Monarchies		20.00 Used
The Corset		10.00
Bible		5.00
Hurbut's Bible Encyclopedia		1.50
Sumerian Epic of Paradise		3.50

RESEARCH EQUIPMENT—Cont'd

Title	Author	Cost
The Great Chalice of Antioch 2 vols.		
(In Miss MacPherson's possession)		150.00
King Arthur and His Knights	Howard Pyle	3.50
The Grail and the Passing of Arthur	" "	3.50
Arthurian Romances	C. Troyes	.95
The High History of the Holy Grail		.95
[1010]		
Bulfinch's Age of Chivalry		\$ 2.00
Bulfinch's Mythology		1.75
Roger de Hoveden's Annals		5.00
Arthur of the English Poets		1.50
Art Appreciation Collection		175.00 Used
Concordance of Bible	Young	7.50
Atlantis		5.00
8 vols. or 3 years of L'Illustration		
Magazines at \$4 a vol.		32.00
6 vols. or 1½ years of Graphic at \$4. a vol.		24.00
9 vols. Illustrated London News at \$4. vol.		36.00
Misc. Graphics, Illustrated London News		
L'Illustrations unbound		3.50
Soule's Synonymes		3.75
Tarry Thou Till I Come		.75
Mary Magdalen	Edgar Saltus	2.00
John Sloan Works		2.50
Schickal		3.00
TOTAL		\$2,773.30
Less 20%		554.66
		\$2,218.64
[1011]		

## PROPERTIES AS SELECTED

	No.	Cost	Depr'd. Value per Appraisal
Carved Floor pcs.	857-858	\$ 65.00 pr.	\$ 65.00 pr.
Sanctuary lamp	1243	35.00	35.00
Bust of Christ	838	25.00	25.00
Carved figure Madonna	839	40.00	56.00
Bishop and staff	933	95.00	60.00
Painting of Mary with urn	312	55.00	75.00
Empire painting	306	45.00	200.00
Painting Lady with flowers	503	40.00	100.00
Painting lady with collar	304	65.00	200.00
Painting man with horse	305	85.00	250.00
Painting picnic	306	55.00	200.00
Painting Crusaders	297	250.00	200.00
Paintings still live	300-302	100.00 pr.	600.00 pr.
Poly. figure and basket	850	75.00	50.00
Carved figure Madonna	841	56.00	40.00
Painting lady with spray	501	50.00	75.00
Painting man with snuff box	307	45.00	150.00
Gothic Tapestry	W-5	1,500.00	1,500.00
Red velvet altar cloth	W-64	45.00	45.00
Yellow brocade throw	W-61	75.00	75.00
Green throw	W-59	45.00	45.00
Pr. brass wall bkts.	1155-1156	135.00	135.00
Pr. trees and urns	861-862	157.50	157.50
Painted ship	864	45.00	45.00
Parchment shade	1244	40.50	40.50
Lantern	518	112.50	112.50
Spanish basket	1237	135.00	135.00
Highball Glasses	1325	24.30	20.40
Pr. glass lamps	867-868	40.50	11.50
Cups and saucers		18.00	12.00
Mahogany table	425	45.00	45.00
Green urns (now at Warner Bros.)		27.00	27.00
Lyre baskets	61	27.00	50.00
Hall lantern	518	112.50	75.00
Chandelier	546	135.00	125.00
Antique lantern—hall	510	135.00	112.00
Boat vase	165	15.00	15.00

## PROPERTIES AS SELECTED—Cont'd

	No.	Cost	Depr'd. Value per Appraisal
1 Tall red glass vase	1343	4.00	4.00
1 Pr. 3-light lamps & shades	826	38.50 pr.	38.50 pr.
TOTAL		\$4,093.30	5,206.90
Caromandal screen—	200.		
King of Kings gates	350		

[1012]

## COMPLETED WARDROBE AS SELECTED

	Studio Number	Cost Labor & Material
1 White flannel coat, black velvet trim, gold beads and red embroidery	1102G	\$ 407.11
1 Black velvet coat with orange and black embroidery	1218G	289.34
1 Black and gold bouffant dress	1155G	222.80
1 White and flowered satin brocade wrap	1226G	138.22
1 White fox fur collar on wrap #1226G (From Metropolitan stock)	22W	300.00
1 Small white fox collar taken from Metrop. coat #89 and made into cuffs for wrap 1226G	23W	40.00
1 Black velvet coat	1144G	75.00
1 Beige fox collar and cuffs on coat 1144G	21W	130.00
1 Black velvet coat, embroidered sleeves	1168G	216.13
1 Souffle evening gown allover crystal bead emb.	1220G	414.73
1 Black velvet evening gown, crystal bead emb.	1057G	190.32
1 Rose velvet beaded evening gown	1165G	149.52
1 Wedding dress of nude net	876G	187.82
1 Pink net bouffant dress	1175G	234.15
1 Negligee green and gold brocade	1156G	120.23
1 Rose shaded pajamas—gold emb.	256L	121.54
1 Plain black velvet evening gown	1225G	71.41
1 Wedding veil	75Z	81.84
1 Evening gown of blue velvet, rhinestone emb.	1114G	89.63
1 Red pajamas, emb. with sequins	227G	127.41
Cost of labor and material		3,607.20
Less 50% depreciation		1,803.60
Depreciated value		\$1,803.60

[1013]



## USED JEWELRY AS SELECTED

No.	Article	Replacement Cost
22J	Jade section bracelet	\$ 24.00
24J	1 pr. large pearl earrings	9.00
80J	1 pr. long antique earrings	80.00
26J	Fancy rhinestone pin	18.50
81J	Coral bead head piece	16.00
27J	Large diamond necklace	144.00
42J	Long diamond collar	25.00
34J	Court earrings	12.00
34J	“ “	12.00
34J	“ “	12.00
82J	Earrings antique and jade	30.00
70J	Ring with large ruby stone	3.75
04J	Earrings of cut steel	9.00
30J	Earrings diamond bow and knot	12.50
92	Earrings cut steel	5.75
34J	Earrings—large pearl with diamond screws	4.50
76J	3 ring oblong crystal silver set	18.00
35J	Large rhinestone painted earrings	12.00
3J	Chain of small crystals	7.00
18J	Silver lorgnette	10.75
01J	1 pr. cut steel earrings—Egyptian design	13.00
91J	Necklace made into earrings	18.00
03J	3 pr. ornaments made into one	15.00
	Articles listed in appraisal	\$528.75
	Total replacement cost, less 18% depreciation	95.17
	Depreciated value	\$433.58

## NEW JEWELRY AS SELECTED

No.	Article	Replacement Cost
930J	Emerald & crystal ring	\$ 6.00
931J	Bracelet with large crystal center	13.50
933J	Collar to match above bracelet	18.00
932J	Bracelet with large crystal center	15.00
934J	Bubble Brooch (1 large pearl)	3.50
935J	“ “ (cluster of 3 large pearls)	6.25
936J	“ “ (3 large pearls)	6.75
937J	Brooch, large square crystal setting, with rhinestones	9.00
938J	Fancy link neck piece	18.00
939J	Emerald and rhinestone fancy bracelet	48.00
940J	Crystal and rhinestone brooch	5.75
941J	Collar rhinestone with large crystal center	18.00
942J	1 pr. pearl earrings on gold chain	5.50
943J	1 pr. earrings set with numerous small pearls	6.50
944J	1 pr. learge pearl earrings	8.00
945J	1 pr. earrings—fancy rhinestone sets	7.00
946J	Bracelet with large round crystals	35.00
947J	Crystal chain	30.00
948J	Large crystal ring	8.00
950J	Large brooch with crystal center	9.50
951J	Ring, 2 large crystal sets—fancy rhinestone setting	8.00
952J	Small rhinestone graduated bracelet	4.00
953J	“ “ “ “	10.00

Total replacement cost

\$299.25

(no depreciation)

[1015]

## WARDROBE MATERIAL AS SELECTED

Stock No.	No.	Material	@	Cost Value
No.	Yds.			
716	2½	Crystal fringe	\$ 3.13	\$ 7.83
718	2	“ “	7.65	15.30
719	2	“ “	6.75	13.50
814	3¾	“ “	7.65	25.82
867	5	Green and gold brocade	22.50	112.50
702	5	Blue and silver brocade	29.00	145.00
932	7	Black and gold metal cloth	10.00	70.00
756	10½	White fringe cloth	14.00	147.00
447		1 chiffon scarf	23.00	23.00
604	15⅛	Black lace	7.25	109.66
467	6½	“ “	8.25	53.63
965	11 2/8	“ “	8.00	90.00
156	13	Black and gold ribbon	6.75	87.75
910	7⅝	Black lace	3.65	27.83
707	4½	Silver spangled lace	16.00	72.00
924	5⅝	“ “ “	16.00	90.00
920	8⅞	Black lace	4.50	39.94
102	6⅝	Wide black lace	5.75	38.09
482	8	“ “ “	6.95	55.60
826	8⅛	Fine black lace	4.50	36.56
956	3	Green silk print	3.75	11.25
957	3	Red silk print	3.75	11.25
906	5	Blue mouss. imp.	5.00	25.00
149	2⅛	Gold lace	55.00	116.88
294	6	Flowered chiffon	5.50	33.00
962	2	Crepe (orchid flowered)	5.00	10.00
858	3	Black and gold lace	19.00	57.00
907	5	Crepe ombre	10.75	53.75
222	6	Meters blue and grey figured mat'l.	9.95	59.00
923	13⅛	Black lace	7.95	104.34
131	4⅛	Black and gold chiffon	12.50	51.56
914	5	Green gillanger facome	7.95	39.75
963	5	Plaid Irana crepe, imp.	7.50	37.50
931	7	Black and gold metal cloth	10.75	75.25
908	3	Fluidor fac.	15.00	45.00
255	5	White and gold material	16.75	83.75
916	3	Blue plaid wool	5.95	17.85

## WARDROBE MATERIAL AS SELECTED (Cont'd)

Stock No.	No.	Yds.	Material	@	Cost Value
3915	3		Dark blue wool	5.95	17.85
1579	10		Black and gold copper flouncing	37.50	375.00
3087	12		Black lace	7.75	93.00
3961	1		Metal lace cape	35.00	35.00
3960	1		Metal lace cape	47.50	47.50
3804	10		Violet velvet ribbon	1.25	12.50
3802	10		Blue velvet ribbon	.85	8.50
3804	10		Green velvet ribbon	1.25	12.50
3803	5		Green velvet ribbon	1.30	6.50
3795	10		Striped yellow ribbon	1.35	13.50
3806	10		Black moire ribbon	1.18	11.80
1886	4 2/8		Black ribbon	3.15	13.39
3795	10		Ashes of roses satin ribbon	1.35	13.50
3801	30		Metal ribbon	5.75	172.50
(forwarded)					\$2,926.18
					[1016]
3598	3 1/2		Meters Green & white coating	\$ 6.60	\$ 23.10
2887	10 2/8		Gold and cream brocade	11.75	120.44
2441		1	Black crepe scarf		77.50
2136	6		White embroidery	10.00	60.00
2136	5 1/2		“ “	10.00	55.00
2136	6		“ “	10.00	60.00
2136	5 3/8		“ “	10.00	53.75
					\$3,375.97
					[1017]

## PETITIONER'S EXHIBIT 14

[Endorsed]: Admitted in Evidence Dec. 14, 1933.

## COPY

THIS AGREEMENT made and entered into this 16th day of August, 1920, at Los Angeles, California, by and between

CECIL B. DE MILLE PRODUCTIONS,

a co-partnership composed of Cecil B. DeMille, Constance A. deMille, Ella King Adams and Neil S. McCarthy, party of the first part, herein called the "Partnership,"

and

CECIL B. DE MILLE,

of Los Angeles, California, party of the second part, herein called the "Artist,"

## WITNESSETH THAT:

WHEREAS, the Partnership is engaged in the manufacture and production of motion pictures and photoplays, the principal ones of which said motion pictures and photoplays are to be directed by the said Cecil B. deMille; and,

WHEREAS, the said Cecil B. deMille has agreed to enter into a contract with said partnership for the performance of his services as a director of motion pictures for said partnership;

NOW, THEREFORE, this agreement WITNESSETH:



That the Partnership does hereby engage and employ the Artist, and the Artist does hereby covenant and agree to render and perform his services as a director of motion pictures and photoplays, to and for the Partnership exclusively, for the period commencing August 16, 1920, and extending to and including the 15th day of August, 1925. The Artist shall receive as full compensation for his services so rendered, a salary at the rate of Fifteen Hundred Dollars (\$1500.00) per week. [1018]

ALL UPON AND TOGETHER WITH AND SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS, IT IS HEREBY AGREED THAT:

(1) In the event that the Artist is engaged in directing the production of a motion picture or photoplay at the end of the period when this contract would otherwise terminate, he shall continue the direction of said motion picture or photoplay at the same salary and upon the same terms as above set forth, until the completion thereof.

(2) Said services shall be rendered conscientiously and artistically, and to the best ability of the Artist, and at such times and places as shall be necessary or proper to the careful, efficient and economical production of such photoplays or motion pictures.

(3) The Artist shall have sole and complete authority in the direction and production of all said motion pictures, including the right to employ

any and all artists and assistants that he may require from time to time, and including the right and authority to the artist to enter into contracts in the name of and on behalf of the partnership with any and all artists or other persons or individuals for the rendering or performance of services, or for the doing of any other act or thing which, in the opinion of the Artist, may be necessary or incidental to the proper manufacture and production of said motion pictures. The Artist shall also have the right and authority to enter into any and all other contracts for the purchase or obtaining of books, stories, materials, supplies and articles of any and every kind or nature, necessary or proper to the manufacture and production of said motion pictures.

(4) The Artist agrees to direct for the Partnership, not less than two nor more than four motion pictures each year during the period of this contract, and to cut and title the same so that the negative will be complete and ready for the making of the positive prints therefrom, and so that the partnership shall at all [1019] times be enabled to comply with an agreement entered into by said Partnership with the Famous Players-Lasky Corporation, dated August 16, 1920, for the production and delivery to said Famous Players-Lasky Corporation of not less than two nor more than four motion pictures each year during the period from August 16, 1920, to and including August 15, 1925.

(5) The Artist shall have the use of the quarters now occupied by him in the studios of the Famous Players-Lasky Corporation, and the use of which the said Famous Players-Lasky Corporation has agreed to furnish to the said partnership during the period of this agreement.

(6) The Partnership does hereby agree to cause to be placed at the disposal of the Artist, for the production of said motion pictures, all of the things which the said Famous Players-Lasky Corporation has agreed to furnish to the Partnership for the production of said motion pictures, and that the same shall be furnished in the manner and at the times as provided in the agreement between the said Partnership and the said Famous Players-Lasky Corporation.

(7) The services of the Artist shall be rendered at such times and places, either in the State of California or elsewhere, as shall be required for the direction or production of said motion pictures.

(8) The Partnership shall pay the transportation of the Artist, necessarily incurred, when the services of the Artist are required to be performed at any other place than in the City of Los Angeles, County of Los Angeles, State of California, and shall furnish lodging expenses necessarily incurred when the services of the Artist in the actual directing of a motion picture are performed elsewhere than in the City of Los Angeles, or in or about the City of New York, State of New York. The Artist

shall, however, furnish an automobile and bear the cost and the upkeep [1020] thereof, including the cost of chauffeur and all other things necessary or incidental to the use of the same, for his transportation in or about the City of Los Angeles and in and about the said City of New York, in the rendering and performance of the services required under the terms hereof. The Artist shall also, however, continue as he has in the past to visit the City of New York not less than twice during the year at intervals of at least four months apart, for the purpose of witnessing the exhibition of plays and motion pictures, and of acquiring new ideas and inspiration in the directing and production of motion pictures, and shall at least twice during the period of this contract visit England and the Continent of Europe, including the City of Paris, for the purpose of there gaining new ideas and added inspiration for the direction and production of motion pictures, and thereby increasing his ability as a *direction* of motion pictures. The Artist shall use any ideas which he may gain during said visits in the directing and producing of the motion pictures to be directed and produced for the Partnership under the terms of this agreement.

(9) The Partnership shall pay for any all materials, stories or other articles or things purchased by the Artist on any of such visits to England and the continent of Europe, or to the City of New York, or elsewhere, which shall be purchased to be



used in the direction or production of any of the motion pictures to be directed for the Partnership, and the actual transportation, living and incidental expenses which the Artist shall incur on such trips or visits shall be borne by the Partnership, not in excess, however, of \$20,000, for each European trip, and not in excess of \$5,000 for each New York trip.

(10) The Partnership shall require and provide that each and every of the pictures directed by the Artist under the terms hereof shall be advertised and publicized to the same extent and in the same general manner as is indicated by the advertising and publicity given to the photoplay entitled "Male and Female," directed by the Artist and marketed by the Famous Players-Lasky [1021] Corporation, and that in all publicity the name of the Artist shall receive such attention and prominence as was given to it in the advertising and publicity of the said "Male and Female" and that each and every of the said pictures shall be announced as "A Cecil B. deMille Production".

(11) The Artist agrees that he will not direct nor produce any motion pictures during the period of this agreement, other than those which he shall direct or produce for the Partnership, nor will he engage in any other business than the making of motion pictures to be delivered pursuant to this contract, and that he will not permit his name to be announced as the maker, director or supervisor



of, or as interested in, the production of any motion pictures, during the period of this agreement, except those deliverable under this agreement, and that he will, during the period of this agreement, render his services to and for the Partnership exclusively, and will not render or perform any services whatsoever for himself or for any other person, firm or corporation, in any way connected with the motion picture or theatrical business. The Artist further agrees that no motion picture shall be announced as made by the Artist within three months after the termination of this agreement, nor shall any motion pictures directed by the Artist, or in which the Artist shall be in any way interested, be released for a period of six months after the period of this contract.

(12) In the event that the Partnership is prevented from making motion pictures which are to be directed by the Artist, by reason of the enactment of any law, ordinance or regulation, or by the insurance of any binding proclamation or order or by the act of God, strike, casualty, epidemic or unavoidable accident, none of which could be foreseen or provided against, then the Artist shall not, during said period of prevention, be entitled to receive any compensation; provided, however, that such period [1022] shall not exceed in the aggregate four weeks during any year of the term of this agreement.

IN WITNESS WHEREOF, said parties have hereunto set their hands, the day and year in this instrument first above written.

CECIL B. DE MILLE PRODUCTIONS,

By:

(Signed) CONSTANCE A. DE MILLE

“ ELLA KING ADAMS

“ NEIL S. McCARTHY

(Co-Partners)

“ CECIL B. DE MILLE

Artist. [1923]

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PETITIONER'S EXHIBIT 15.

[Endorsed]: Admitted in evidence Dec. 14, 1933.

State of California

County of Sacramento—ss.

I, EDWIN M. DAUGHERTY, Commissioner of Corporations of the State of California, do hereby certify that the following is a true and correct copy of the application heretofore filed by CECIL B. deMILLE PRODUCTIONS, INC., on July 10th, 1922, as the same is now on file and of record in my office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 8th day of December, 1933.

EDWIN M. DAUGHERTY

Commissioner of Corporations.

By JOHN L. DAVIS

Executive Assistant Commissioner.

[1024]

Received. State Corporation Dept. July 10, 1922.  
Los Angeles, Calif.

Before the Commissioner of Corporations of the  
State of California.

In the Matter of the Application of CECIL B.  
deMILLE PRODUCTIONS, INC., a corpora-  
tion, for permission to issue and sell certain of  
its capital stock.

#### APPLICATION TO ISSUE STOCK.

CECIL B. deMILLE PRODUCTIONS, INC., a corporation, pursuant to the Corporate Securities Act of the State of California, hereby makes application to the State Corporation Department for authority to issue and sell certain of its shares of capital stock, and in support of its application respectfully represents:

##### I.

That said CECIL B. deMILLE PRODUCTIONS, INC., was incorporated under the laws of the State of California on the 20th day of May, 1922; that a copy of its Articles of Incorporation is attached hereto, filed herewith, and marked Exhibit "A"; that a copy of its By-Laws is filed herewith, attached hereto and marked Exhibit "B"; that a copy of all minutes of any proceedings of its directors or stockholders, relating to or affecting the issue of stock, for the issuance of which permission is hereby sought, is filed herewith, attached hereto, and marked Exhibit "C".

## II.

That its authorized capital stock is Five Hundred Thousand Dollars (\$500,000.00) divided into Five Thousand (5,000) shares of the par value of One Hundred Dollars (\$100.00) each.

## III.

That there has been no previous issue of any of its shares of stock. [1025]

## IV.

That the corporation has received, and subject to the approval of the Commissioner of Corporations has accepted an offer from CECIL B. deMILLE, CONSTANCE A. deMILLE, ELLA KING ADAMS AND NEIL S. McCARTHY, being the partners composing the CECIL B. deMILLE PRODUCTIONS, to transfer to this corporation the property hereinafter described, which description is as follows, to wit:

## ASSETS

Cash In Banks	30,000.00	
Securities & Investments	54,519.86	
Automobiles	5,190.00	
Furn. & Fixtures	230.00	
Props	24,371.50	
Scenarios & Picture		
Rights	10,000.01	
Loans Receivable	145,578.45	\$269,889.82

## LIABILITIES

Accounts payable	17,500.00
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for Four Thousand (4,000) shares of the capital stock of this corporation, which said shares of stock shall include the Five (5) shares of stock subscribed for by the organizers of this corporation.

## V.

That the net tangible assets of the said CECIL B. deMILLE PRODUCTIONS, after deducting the liabilities of Seventeen Thousand Five Hundred Dollars (\$17,500.00) are of the value of Two Hundred Fifty Two Thousand, Three Hundred Eighty-Nine Dollars and Eighty-Two Cents (\$252,389.82).

That the said CECIL B. deMILLE PRODUCTIONS, in addition to said physical assets described in the statement hereinbefore set forth, has a contract with CECIL B. deMILLE, wherein and whereby the said CECIL B. deMILLE has agreed for the period of Five (5) years from August 16, 1920, to direct motion pictures being produced by the said CECIL B. deMILLE PRODUCTIONS, and that the said CECIL B. deMILLE PRODUCTIONS has a contract with [1026] the FAMOUS PLAYERS LASKY CORPORATION, wherein and whereby the said CECIL B. deMILLE PRODUCTIONS produces motion pictures for the said FAMOUS PLAYERS LASKY CORPORATION and which are released and distributed by the said FAMOUS PLAYERS LASKY CORPORATION.

That the valuation placed upon said assets hereinabove set forth, is the actual cost price of said property to the corporation.



That the good will of the said CECIL B. deMILLE PRODUCTIONS, and the value of the said contracts hereinbefore described, and the other intangible assets of the said CECIL B. deMILLE PRODUCTIONS, all of which are being transferred to said corporation by the said CECIL B. deMILLE PRODUCTIONS, a co-partnership, are of the value in excess of One Hundred and Fifty Thousand Dollars (\$150,000.00).

#### VI.

That the said CECIL B. deMILLE PRODUCTIONS is owned by the following persons, in the following proportions to wit: CECIL B. deMILLE owns a forty-five percent (45%) interest therein; CONSTANCE A. deMILLE owns a twenty-five percent (25%) interest therein; ELLA KING ADAMS owns a twenty percent (20%) interest therein; NEIL S. McCARTHY owns a ten percent (10%) interest therein.

#### VII.

That the total value of all of the assets, including the contracts hereinbefore described, and the good-will of the said CECIL B. deMILLE PRODUCTIONS, a co-partnership, is of the value of at least Four Hundred Thousand Dollars (\$400,000.00).

#### VIII.

That upon the issuance of a permit by the Commissioner of Corporations of the State of California pursuant hereto, the present Board of Directors of

said corporation will resign, and the Directors and officers of said corporation will be composed of the following persons, who will be elected in the place and stead of those now acting, and whose names, addresses, investment [1027] in the company and business experience is as follows:

CECIL B. deMILLE—President and Director.

ADDRESS—Famous Players Lasky Studios, Hollywood, California.

INVESTMENT IN COMPANY—Forty-five per cent (45%) of the issued capital stock, minus one share.

BUSINESS EXPERIENCE—Theatrical experience as actor and writer for Twenty (20) years and a director and producer of motion pictures for eight (8) years.

CONSTANCE A. deMILLE—Vice President and Director.

ADDRESS—Famous Players Lasky Studios, Hollywood, California.

INVESTMENT IN COMPANY — Twenty-five per cent (25%) of the issued capital stock.

BUSINESS EXPERIENCE—Actress and theatrical experience for ten years (10 yrs.). Chairman of Executive Committee of CECIL B. deMILLE PRODUCTIONS, a co-partnership for approximately two years.

ELLA KING ADAMS—Second Vice President and Director.

ADDRESS—Famous Players Lasky Studios, Hollywood, California.

INVESTMENT IN COMPANY—Twenty percent (20%) of the issued capital stock.

BUSINESS EXPERIENCE—Writer and script reader and general motion picture experience for approximately two years.

JOHN H. FISHER—Director and Treasurer.

ADDRESS—Famous Players Lasky Studios, Hollywood, California.

INVESTMENT IN COMPANY—One share of the issued capital stock.

BUSINESS EXPERIENCE—Director of Southern California Edison Company, and of First National Bank of Redlands for more than five years and production manager of CECIL B. deMILLE PRODUCTIONS for past eighteen months. [1028]

NEIL S. McCARTHY—Director and Secretary.

ADDRESS—504 Pacific Finance Building, Los Angeles, California.

Investment in COMPANY—Ten percent (10%) of the issued capital stock.

BUSINESS EXPERIENCE—Attorney at law for past twelve years. Director of Commercial National Bank of Los Angeles.

## IX.

That the stock of said corporation will be owned by the present partners of the above mentioned partnership in the same proportion that the said partners own the respective interests in said partnership, except that JOHN H. FISHER will own

a qualifying share of stock in said corporation, which will be taken from the capital stock of the said CECIL B. deMILLE.

#### X.

That a full statement of the nature of the business to be operated and conducted by the said corporation is set forth in paragraph II of the Articles of Incorporation, a copy of which Articles is herewith annexed and marked Exhibit "A" as aforesaid.

#### XI.

A copy of the form of stock certificate proposed to be used by this corporation is filed herewith, attached hereto and marked Exhibit "D".

#### XII.

No commission or brokerage will be paid in connection with the issue of any of the securities, for the issuance of which permission is hereby sought.

#### XIII.

No business has been transacted by the corporation except as herein set forth.

An itemized account of the financial condition of [1029] the corporation, and the amount and character of the assets and liabilities is as follows:

ASSETS: Subscriptions of organizers of corporation amounting to Five Hundred Dollars (\$500.00). LIABILITIES: None.

No prospectus or advertisement or any other description of the securities of this corporation has been prepared by or for it for distribution or publication.

## XIV.

The required filing fee of One Hundred Twenty Five Dollars (\$125.00) is remitted herewith.

WHEREFORE, the said corporation requests that the Commissioner of Corporations issue his permit under the said Corporate Securities Act, authorizing the issuance of Four Thousand (4,000) shares of the capital stock of this corporation, which said Four Thousand (4,000) shares, shall include the five (5) shares subscribed for by the organizers of the corporation, for the considerations hereinbefore set forth, to the persons composing the said Cecil B. de Mille Productions, a co-partnership, in the following amounts, and to the organizers of the corporation, as follows, to wit:

TO CECIL B. deMILLE	1,800 Shares
“ CONSTANCE A. de MILLE	1,000 Shares
“ ELLA KING ADAMS	800 Shares
“ NEIL S. McCARTHY	395 Shares
“ E. J. NOLAN	1 Share
“ C. M. SHARP	1 Share
“ R. M. KEARY	1 Share
“ G. G. WELLMAN	1 Share
“ HERBERT FRESTON	1 Share
making a total of	4,000 Shares.

Respectfully submitted,

CECIL B. deMILLE PRODUCTIONS, INC.

E. J. NOLAN (signed)

President.

R. M. KEARY (signed)

Secretary. [1030]



State of California

County of Los Angeles—ss.

E. J. NOLAN and R. M. KEARY being first duly sworn, depose and say: That they are the President and Secretary and Treasurer respectively of the CECIL B. deMILLE PRODUCTIONS, INC., a corporation, the applicant in the foregoing application; that they have read said application and know the contents thereof; That the statements in said application contained are true of their own knowledge except as to those matters which are therein stated upon their information and belief, and as to those matters they believe it to be true.

E. J. NOLAN (signed)

President

R. M. KEARY (signed)

[Seal]

Secretary & Treasurer.

SUBSCRIBED AND SWORN TO BEFORE ME,  
this 28 day of June, 1922.

NEIL S. McCARTHY (signed)

Notary Public in and for the County of Los  
Angeles, State of California. [1031]

PETITIONER'S EXHIBIT 16

1381

CECIL B. DEMILLE PRODUCTIONS, INC.

ROYALTY ACCOUNT PER STATEMENT FROM FAMOUS PLAYERS LASKY CORP., PATHE EXCHANGE, INC., CINEMA CORP. OF AMERICA, METRO-GOLDWYN-MAYER CORP.

Date Released	(Personally Directed by C. B. deM.)	Royalties Accrued 1926		Royalties Accrued 1927		Royalties Accrued 1928
1921	AFFAIRS OF ANATOL	246,783.37		247,459.05		247,553.09
1922	SATURDAY NIGHT	150,528.95		150,659.70		150,655.18
"	FOOL'S PARADISE	180,494.34		181,036.86		181,039.87
"	MANSLAUGHTER	248,244.69		249,583.27		250,331.15
1923	ADAM'S RIB	175,185.34		175,906.41		175,963.99
1924	TRJUMPH	129,686.93		132,236.14		132,868.32
"	FEET OF CLAY	166,208.98		173,314.41		174,195.21
1925	GOLDEN BED	141,666.25		153,615.00		154,982.50
1923	THE TEN COMMANDMENTS	837,395.92		868,033.31		871,488.13
		<u>2,276,194.77</u>		<u>2,331,844.15</u>		<u>2,339,077.44</u>
	Less Charges	60,411.12				
	Less Royalty Advances to 3/7/25	1,511,439.00	1,571,850.12		Less Payments	2,331,844.15
		<u>704,344.65</u>	<u>704,344.65</u>			<u>7,233.29</u>
			2,276,194.77		Less Amt. J. M.	182.36
						7,050.93
		Australia Tax Accrued to June 30, 1926	15,470.61			
	Payment of excess royalties earned to Sept. 26, 1925	310,514.63		2,298,529.61		
	to Dec. 26, 1925	351,229.38	22,334.84		Personally directed by C. B. DeM.	
	to Mar. 27, 1926	42,600.64		33,314.54	THE KING OF KINGS	54,317.59
		<u>704,344.65</u>		896.24	Pathe contract for pictures made at deMille Studio, but not personally directed by C. B. deM.:	
			Less Amt. Pd. J. M.		HIS DOG	2,463.46
					COUNTRY DOCTOR	2,127.51
					ALMOST HUMAN	1,574.75
					ANGEL OF BROADWAY	869.73
					LEOPARD LADY	1,695.84
					MAIN EVENT	1,783.13
					WISE WIFE	1,362.16
					FRIEND FROM INDIA	1,409.94
					LET 'ER GO GALLAGHER	1,477.75
					STAND AND DELIVER	1,690.97
					BLONDE FOR A NIGHT	1,088.38
					FIGHTING EAGLE	3,308.42
					DRESS PARADE	4,271.57
					WRECK OF THE HESPERUS	1,638.62
					BLUE DANUBE	2,070.44
					FORBIDDEN WOMAN	2,326.75
					CHICAGO	4,906.88
					SKYSCRAPER	2,303.84
					MIDNIGHT MADNESS	922.44
					HOLD 'EM YALE	2,237.58
					SHIP COMES IN	861.91
					WALKING BACK	1,140.90
					THE COP	1,155.63
					TENTH AVENUE	755.91
					MAN MADE WOMAN	632.88
					SIN TOWN	.13
					LOVE OVER NIGHT	55.57
					SAL OF SINGAPORE	.12
						<u>47,203.21</u>
					Gross Taxable Royalties 1928	108,571.73
1925		387,086.06		39,930.68		
			Gross Taxable Royalties 1927			
1928						
1929						

M. G. M. advance royalty DYNAMITE—personally directed by C. B. deM.

50,000.00 158,571.73



## CECIL B. DEMILLE PRODUCTIONS, INC.

## ROYALTY ACCOUNT PER STATEMENT FROM FAMOUS PLAYERS LASKY CORP., PATHE EXCHANGE, INC., CINEMA CORP. OF AMERICA, METRO-GOLDWYN-MAYER CORP.—(Continued)

Date Released	(Personally directed by C. B. deM.)	Royalties Accrued	Royalties Accrued	
		1929	1930	
1921	AFFAIRS OF ANATOL	247,572.82	247,581.94	
1922	SATURDAY NIGHT FOOL'S PARADISE	150,654.54	150,654.54	
	MANSLAUGHTER	181,040.94	181,043.94	
1923	ADAM'S RIB	250,562.72	250,576.32	
1924	TRIUMPH	175,966.50	175,966.50	
	FEET OF CLAY	133,098.67	133,140.93	
1925	GOLDEN BED	174,746.32	174,980.50	
1923	TEN COMMANDMENTS	155,309.42	155,427.53	
		873,478.00	873,962.03	
		<u>2,342,429.93</u>	<u>2,343,334.23</u>	
	Less Advances to date	2,339,077.44	2,342,429.93	
		<u>3,352.49</u>	<u>904.30</u>	
			24.99	879.31
				Less J. Macpherson's %
Plus Australia Tax	14,418.31			
Less Reserve	433.31	13,984.52		
		<u>17,337.01</u>		
	Royalties received less J. Macpherson	<u>799.48</u>		
	Net received from F. P. L.	<u>16,537.43</u>		
				Personally directed by C. B. deM. KING OF KINGS
1927	Personally directed by C. B. deM.—KING OF KINGS	62,438.34	3,515.13	
1928	GODLESS GIRL	174,394.45	32,903.28	
		<u>236,832.79</u>		
				Pathe contract for pictures made at deMille Studio, but not personally directed by C. B. deM.:
1927	HIS DOG	936.37	30.82	
	COUNTRY DOCTOR	1,151.01	100.61	
	ALMOST HUMAN	673.96	36.61	
	ANGEL OF BROADWAY	147.44	7.93	
	LEOPARD LADY	549.52	67.16	
	MAIN EVENT	300.70	31.74	
	WISE WIFE	224.35	18.13	
	FRIEND FROM INDIA	427.41	44.44	
	LET 'ER GO GALLAGHER	1,125.39	100.78	
	STAND AND DELIVER	744.32	60.04	
	BLONDE FOR A NIGHT	441.14	32.27	
	FIGHTING EAGLE	496.79	62.93	
	DRESS PARADE	1,919.90	183.38	
	WRECK OF THE HESPERUS	858.67	158.96	
	BLUE DANUBE	857.78	47.73	
	FORBIDDEN WOMAN	1,341.70	224.61	
	CHICAGO	2,855.70	169.49	
1928	SKYSCRAPER	1,458.09	341.55	
	MIDNIGHT MADNESS	444.90	38.41	
	HOLD 'EM YALE	1,468.91	128.53	
	SHIP COMES IN	876.29	106.59	
	WALKING BACK	536.89	42.99	
	THE COP	2,597.14	1,045.15	
	TENTH AVENUE	2,472.22	795.29	
	MAN MADE WOMAN	981.18	109.41	
		<u>25,887.77</u>	<u>3,646.57</u>	40,064.98
		<u>279,258.09</u>		
	Royalty book rights DYNAMITE	250.00		
		<u>279,508.09</u>		
1929	M. G. M. advance royalty DYNAMITE	100,000.00		
1930	M. G. M. advance royalty MADAM SATAN	50,000.00		
		<u>429,508.09</u>		
				Gross taxable royalties received 1930
				216,809.29
				1930 M. G. M. advance royalty on MADAM SATAN personally directed by C. B. deM.
				125,865.00
				1931 M. G. M. advance royalty on SQUAW MAN personally directed by C. B. deM.
				50,000.00





PETITIONER'S EXHIBIT 17.

[Endorsed]: Admitted in evidence Dec. 16, 1933.

THIS AGREEMENT made by and between CECIL B. DE MILLE PRODUCTIONS, INC., and CECIL B. DE MILLE, of Los Angeles, California, and CINEMA CORPORATION OF AMERICA, a Delaware Corporation, (hereinafter called "Cinema"),

WITNESSETH:

FIRST: Cecil B. deMille Productions, Inc., and Cecil B. deMille, the director of the production entitled "THE KING OF KINGS," which is owned by Cinema and the direction of which has been completed by Cecil B. deMille, hereby agree to deliver to Cinema on or before April 14th, 1927, at #1560 Broadway, New York City, two (2) complete and assembled negatives, being all of the negatives of such production, of the production entitled, "THE KING OF KINGS," and two (2) sample prints conforming to such negatives.

SECOND: Cinema, in consideration of such delivery, agrees to pay or cause to be paid to Cecil B. deMille Productions, Inc., five per cent (5%) of the gross receipts of the motion picture production, entitled "THE KING OF KINGS," until there shall have been paid to Cinema by the distributor for the time being, or from time to time of such production, or otherwise, from sixty percent (60%) of the gross receipts arising from all of the productions including "THE KING OF KINGS" named in and covered by a certain form of distribution contract

between Pathe Exchange, Inc., and Cinema and others annexed to the plan of recapitalization, etc., of Pathe Exchange, Inc., dated March 9, 1927, amounts sufficient to make payments as follows:

[1034]

(1) To owners of productions comprising "A", "B" and "D" product (as such product is defined in such distribution contract) as required under contracts between each such owner or owners and Cinema or W. W. Hodgkinson Corporation.

(2) To Motion Picture Capital Corporation in satisfaction of the principal amount of Cinema's present indebtedness to it and additional advances to be made by Motion Picture Capital Corporation with respect to Series "D" and "E" product (as such product is defined in such distribution contract).

(3) To Motion Picture Capital Corporation in satisfaction of interest and net cost of financing as required under contracts between it and Cinema with respect to present indebtedness and indebtedness to be incurred under the next preceding paragraph (2) above.

(4) To Theodore Schulze & Co., in satisfaction of the present principal amount of Cinema's indebtedness to it and additional advances that it may make to Cinema from date hereof to cover cost of completion of "D" and "E" product (above referred to) and "THE KING OF KINGS" with interest on all such advances as provided in existing contracts.

(5) To the Chase National Bank of the City of New York, in satisfaction of the principal amount of Cinema's indebtedness to it which now amounts to \$1,900,000. with interest accrued and accruing thereon at six per cent (6%) per annum until paid.

(6) To the Bowery & East River National Bank and Consolidated Film Industries, Inc., of sums advanced by them to Cinema on account of the cost of producing "NO CONTROL" and "THE NERVOUS WRECK" respectively with interest on such advances and balances thereof at six per cent (6%) per annum.

(7) To Pathe sums equal to that part of Pathe Exchange, Inc's advances to the deMille-Metropolitan Studios which under existing agreement dated March 16, 1927, is to be paid by Cinema and to Pathe or to any other Distributor for the time being or from time to time sums sufficient to cover costs of prints and advertising of product including "THE KING OF KINGS" to be distributed by Pathe under such distribution contract. [1035]

It is understood that the payments set forth may be made to the present holders of obligations of Cinema as above set forth or their assigns or successors in interest.

After all of the above shall have been paid to Cinema, Cinema will then pay or cause to be paid to Cecil B. deMille Productions, Inc., sixty-five per cent (65%) of the gross receipts of the production entitled "THE KING OF KINGS," less, however, any sums to be recouped therefrom on account of

additional prints or advertising payable after said date and continue to make such payments until fifty-five per cent (55%) of gross receipts of "THE KING OF KINGS" arising thereafter and paid to Cecil B. deMille Productions, Inc., equal the amount paid to Cecil B. deMille Productions, Inc., on said five per cent (5%) basis before the turning point is reached, and thereafter to pay to Cecil B. deMille Productions, Inc., ten per cent (10%) of the gross receipts throughout the life of the picture.

THIRD: Gross receipts as used in this agreement shall mean: Gross receipts as defined in the form of contract with Pathe Exchange, Inc., hereinbefore referred to and as defined in the existing contract with Producers International Corporation, but shall in any event include all gross receipts payable to Cinema Corporation.

FOURTH: The amount to be paid to Cecil B. deMille Productions, Inc., as herein provided for shall be paid to it directly by the Distributor, for the time being of said motion picture, "THE KING OF KINGS," and Cinema does hereby assign, set over and transfer unto the said Cecil B. deMille [1036] Productions, Inc., the amounts of receipts of said picture herein provided to be paid to the said Cecil B. deMille Productions, Inc., and does hereby instruct the said Distributor to so pay the same to Cecil B. deMille Productions, Inc., as and when the same are payable to Cinema under any contract for distribution and in addition thereto to furnish to the said Cecil B. deMille Productions, Inc., duplicate



copies of all reports and statements covering the said production and the receipts thereof required to be furnished to Cinema Corporation under any such distribution contract.

FIFTH: Cinema does hereby sell, assign, convey, transfer and set over to Cecil B. deMille Productions, Inc., forever, an undivided one-tenth interest in said production "THE KING OF KINGS" and in the story and motion picture rights upon which the same is based, such conveyance being made subject, however, to a mortgage now held by Theodore Schulze & Co., Inc., covering said picture, and subject to the application of earnings therefrom as herein provided for.

Cecil B. deMille Productions, Inc., agrees to and does hereby appoint Cinema Corporation of America, its successors and assigns, his attorney and agent at all times to make any distribution contract for the distribution of said production, on terms not less favorable than those contained in contemplated contract with Pathe Exchange, Inc., and the [1037] existing contract with Producers International Corporation.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed this 26th day of March, 1927.

CECIL B. deMILLE PRODUCTIONS, INC.,

By: NEIL S. McCARTHY,

CECIL B. deMILLE,

By: NEIL S. McCARTHY,

his attorney in fact.

CINEMA CORPORATION OF AMERICA,

By OSCAR M. BATE, Sec'y.



The undersigned, CECIL B. DE MILLE PRODUCTIONS, INC., B. F. KEITH CORPORATION, F. H. BROWNELL and THE REALTY AND SECURITIES CORPORATION, being all of the stockholders of CINEMA CORPORATION OF AMERICA, do and each of them does hereby consent to the execution of the foregoing agreement and has approved and does hereby register his or its approval.

CECIL B. DE MILLE PRODUCTIONS, INC.,

By: NEIL S. McCARTHY.

CECIL B. DE MILLE,

By: NEIL S. McCARTHY.

B. F. KEITH CORPORATION,

By: E. G. LAUDER, JR.

THE REALTY & SECURITIES CORPORATION

(Sgd) By: FREDERICK H. BROWNELL.

“ FREDERICK H. BROWNELL.

O K

M. G.

(Above is in pencil by Mr. Goodman, the attorney.) [1038]

AGREEMENT made this 18th day of March, 1932 by and between CECIL B. DeMILLE PRODUCTIONS, INC., a California Corporation and CECIL B. DeMILLE of Los Angeles, California, parties of the first part, and CINEMA CORPO-

RATION OF AMERICA, a Delaware corporation (hereinafter called "Cinema"), party of the second part,

WITNESSETH:

WHEREAS, the parties hereto have heretofore entered into a certain agreement in writing dated March 26, 1927 with respect to a certain motion picture production entitled "THE KING OF KINGS", and

WHEREAS, under the said agreement there has heretofore been paid by Cinema to Cecil B. DeMille Productions, Inc. the sum of One Hundred Twenty Thousand Two Hundred Seventy-one Dollars and Six Cents (\$120,271.06), and

WHEREAS, a dispute has arisen between the parties hereto with respect to the liability of Cinema to pay to Cecil B. DeMille Productions, Inc. any further sums under said contract, and

WHEREAS, the parties desire to settle the differences which have arisen between them with respect to their rights under said contract and to make certain amendments thereto,

NOW THEREFORE, IT IS AGREED AS FOLLOWS:

FIRST: Cecil B. DeMille Productions, Inc. and Cecil B. DeMille acknowledge that there has been paid by Cinema to Cecil B. DeMille Productions, Inc. prior to the date hereof the sum of One Hundred Twenty Thousand Two Hundred Seventy-one Dollars and Six Cents (\$120,271.06) being payment in full of all sums accruing to Cecil B. [1039] DeMille Productions, Inc. from gross collections from

the said production entitled "THE KING OF KINGS" under said agreement of March 26, 1927 for the period ended April 19, 1930.

SECOND: Cinema agrees to pay to Cecil B. DeMille Productions, Inc. upon the execution and delivery of this agreement the sum of \$5,780.51, the receipt whereof is hereby acknowledged, being payment in full of all sums payable to said Cecil B. DeMille Productions, Inc. on account of gross collections from "THE KING OF KINGS" from Apr. 19, 1930 to Jan. 2, 1932, pursuant to said agreement of Mar. 26, 1927 and Cinema agrees to continue to make payments to Cecil B. DeMille Productions, Inc. hereafter of such sums as may be payable to it under the terms of said agreement of Mar. 26, 1927 by reason of gross collections from "THE KING OF KINGS" arising after Jan. 2, 1932 and for so long as either Cinema or Theodore Schulze & Co. Inc. shall be the owners of said picture and upon the outright sale of said picture, to pay to Cecil B. DeMille Productions, Inc. five percent (5%) of the gross amount received by Cinema or Theodore Schulze & Co. Inc. upon such sale, it being obvious to the parties hereto that the conditions expressed in said agreement of Mar. 26, 1927 upon which said Cecil B. DeMille Productions, Inc. would receive ten percent (10%) of the gross receipts of said picture can never be met. There is annexed hereto a schedule showing gross collections from "THE KING OF KINGS" and payments to Cecil B. DeMille Productions, Inc. under said agreement of March 26, 1927.

THIRD: The said agreement of Mar. 26, 1927 is hereby amended by striking out the second paragraph of Article Fifth thereof and substituting therefor the following:

“Cecil B. DeMille Productions, Inc. and [1040] Cecil B. DeMille agree to and do hereby appoint Cinema Corporation of America, its successors and assigns, its and his attorney and agent at all times to make any distribution contract for the distribution of said production entitled ‘The King of Kings’ or any contract or agreement for the sale or other disposition of the said production or of any rights of any nature and kind in the said ‘The King of Kings’ and at any time to cancel, terminate or change any contract now in existence or which may hereafter be made with respect to the distribution, sale, exploitation or other turning to account of the said ‘The King of Kings’ or any rights therein.”

IN WITNESS WHEREOF, the parties have caused these presents to be duly executed the day and year first above written.

CECIL B. DeMILLE PRODUCTIONS, INC.

BY CECIL B. deMILLE

President

CECIL B. deMILLE (L. S.)

CINEMA CORPORATION

OF AMERICA

By N. P. RATHOON

President. [1041]



## "KING OF KINGS" COLLECTIONS

Domestic	\$1,667,000.36	\$ 25,660.03	\$1,692,660.39
Canada	67,956.12	4,591.51	72,547.63
Foreign	700,480.91	85,476.39	785,957.30
	<hr/>	<hr/>	<hr/>
	\$2,435,437.39	\$115,727.93	\$2,551,165.32
Less Road-			
show losses	30,016.12	117.76	30,133.88
	<hr/>	<hr/>	<hr/>
	\$2,405,421.27	\$115,610.17	\$2,521,031.44
			<hr/>
5%			\$ 126,051.57
Previously paid			120,271.06
			<hr/>
Payable to Cecil B. DeMille Productions, Inc.			5,780.51
			[1042]

[Title of Court and Cause.]

## PRAECIPE FOR RECORD.

To the Clerk of the United States Board of Tax Appeals:

You will please prepare, transmit and deliver to the Clerk of the United States Circuit Court of Appeals for the Ninth Circuit, copies duly certified as correct of the following documents and records in the above-entitled cause in connection with the petition for review by the said Circuit Court of Appeals for the Ninth Circuit, heretofore filed by the Commissioner of Internal Revenue:



1. Docket entries of the proceedings before the Board.
2. Pleadings before the Board,
  - (a) Petitions, including annexed copies of deficiency letters.
  - (b) Answers.
  - (c) Amendments to petitions.
3. Stipulation filed December 20, 1933.
4. Stipulation filed April 23, 1934.
5. Taxpayer's Exhibits 1 to 17, inclusive.
6. Commissioner's Exhibits "A" to "J", inclusive.
7. Findings of fact, opinion and decision of the Board. [1043]
8. Notices of settlement filed by taxpayer and the Commissioner, respectively, under Rule 50 of the Board's Rules of Practice.
9. Petition for review, together with proof of service of notice of filing petition for review and of service of a copy of petition for review.
10. Statement of the evidence as settled and allowed.
11. Orders enlarging time for the preparation of the evidence and for transmission and delivery of the record not included in record.
12. This praecipe.

(Signed) HERMAN OLIPHANT

General Counsel for the E.L.  
Department of the Treasury.

Service of a copy of the within praecipe is hereby admitted this 17 day of January, 1936.

(Signed) THOMAS R. DEMPSEY

(Signed) A. CALDER MACKAY

Attorneys for Respondent.

tco

1-7-36

[Endorsed]: Filed Jan. 24, 1936. [1044]

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[Title of Court and Cause.]

CERTIFICATE.

I, B. D. Gamble, clerk of the U. S. Board of Tax Appeals, do hereby certify that the foregoing pages, 1 to 1044, inclusive, contain and are a true copy of the transcript of record, papers, and proceedings on file and of record in my office as called for by the Praecipe in the appeal (or appeals) as above numbered and entitled.

In testimony whereof, I hereunto set my hand and affix the seal of the United States Board of Tax Appeals, at Washington, in the District of Columbia, this 9th day of March, 1936.

[Seal]

B. D. GAMBLE

Clerk, United States

Board of Tax Appeals

[Endorsed]: No. 8144. United States Circuit Court of Appeals for the Ninth Circuit. Commissioner of Internal Revenue, Petitioner, vs. Cecil B. deMille Productions, Inc., Respondent. Transcript of the Record Upon Petition to Review an Order of the United States Board of Tax Appeals.

Filed March 13, 1936.

PAUL P. O'BRIEN,

Clerk of the United States Circuit Court of Appeals  
for the Ninth Circuit.

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